



FOREIGN INVESTMENT PROMOTION AGENCY
OF BOSNIA AND HERZEGOVINA

ATTRACTIVE SECTORS OF BOSNIA AND HERZEGOVINA





Table Of Contents

BOSNIA AND HERZEGOVINA KEY FACTS	2
GENERAL ECONOMIC INDICATORS	3
TOURISM SECTOR	10
MILITARY INDUSTRY IN BOSNIA AND HERZEGOVINA	41
FORESTRY AND WOOD INDUSTRY IN BOSNIA AND HERZEGOVINA	51
ENERGY SECTOR OF BOSNIA AND HERZEGOVINA	64
MINING AND METAL PROCESSING SECTOR IN BOSNIA AND HERZEGOVINA	90
AUTOMOTIVE INDUSTRY IN BOSNIA AND HERZEGOVINA – 2022	107
ICT AND BPO IN BOSNIA AND HERZEGOVINA	123
AGRICULTURE AND FOOD PROCESSING INDUSTRY IN BOSNIA AND HERZEGOVINA	140
TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY IN BOSNIA AND HERZEGOVINA	167

BOSNIA AND HERZEGOVINA KEY FACTS

Official name:	Bosnia and Herzegovina (locally Bosna i Hercegovina, most commonly abbreviated as B&H)
Capital city:	Sarajevo (population 400,000)
Other major cities:	Banja Luka, Bihać, Mostar, Tuzla, Zenica
Geographic location:	South Eastern Europe, borders with Croatia (932km), Serbia (312km) and Montenegro (215km).
Area	51,209 km2
Population	3.48 million (2020)
Religions	Islam, Orthodox Christian, Roman Catholic, others
Ethnic groups:	Bosniaks, Serbs, Croats and others
Languages	Bosnian, Serbian, Croatian (all official)
Administrative organisation:	Two entities (Federation of B&H and Republic of Srpska) and Brcko district of B&H
Government structure:	B&H is a parliamentary democracy with a bicameral parliament (House of Representatives and House of Peoples), three-member rotating presidency, Council of Ministers, and Constitutional Court
GDP	17.5 billion EUR (2020)
GDP per capita:	5,038 EUR (2020)
Currency	Konvertibilna Marka (BAM-official; KM-common use)
Exchange rate:	1 EUR = BAM 1.95 (fixed exchange rate)
Landforms	A very hilly country with the Dinaric Alps dominating the landscape. The highest point, Mt. Maglić, rises to 2,387m. Thick forests cover almost 50% of the land. In the north, along the Sava River valley, a hilly, fertile plain stretches east to west. The country has 20 km of coastline in the southwest of the country, providing access to the Adriatic Sea.
Climate:	Winters can be very cold with a lot of snow, especially in the hills and mountains. Summers are generally warm and comfortable, occasionally hot. Cooler temperatures in higher elevations.
Latitude/longitude:	44° N, 18° E
Time zone:	CET (GMT + 1 hour)
Internet domain:	.ba
Int. telephone code:	+387

GENERAL ECONOMIC INDICATORS

Indicators	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Nominal GDP (billion EUR)	13.4	13.7	14.0	14.6	15.3	16.0	17.1	18.0	17.5	19.3*
GDP per capita (EUR)	3,793	3,878	3,967	4,155	4,355	4,578	4,891	5,168	5,038	
Real GDP growth rate (%)	-1.0	2.5	1.2	3.1	3.2	3.2	3.7	2.8	-3.2	5.8*
Industrial production growth rate (%)	-5.2	6.7	0.1	2.6	4.3	3.1	1.6	- 5.5	-6.2	10.7
average netwages (EUR)	422	423	424	424	428	435	449	471	489	510
Annual inflation rate (%)	2.1	-0.1	-0.9	-1.0	-1.1	1.2	1.4	0.6	-1.0	2.0
Annual unemployment rate %	28.0	27.5	27.5	27.7	25.4	20.5	18.4	15.7	15.9	17.4
Foreign currency reserves (mill EUR)	3,328	3,614	4,001	4,400	4,873	5,398	5,942	6,440	7,090	8,359
Coverage of import by export (%)	51.5	55.2	53.6	56.7	58.3	61.0	61.8	58.9	62.3	66.1
Net FDI inflow (mill EUR)	307	208	415	326	316	436	493	305	347	445*
FDI contribution to GDP (%)	2.3	1.5	3.0	2.2	2.0	2.7	2.9	1.7	2.0	
Deposits of households in Commercial Banks (mill EUR)	3,914	4,276	4,623	5,044	5,451	5,763	6,210	6,770	7,036	7,514
Population (mid-year, in million)	3.54	3.53	3.53	3.52	3.51	3.50	3.50	3.49	3.48	

Source: Central bank of B&H and Agency for Statistics of B&H* Preliminary data for 2019

INVESTMENT OPPORTUNITIES BOSNIA AND HERZEGOVINA



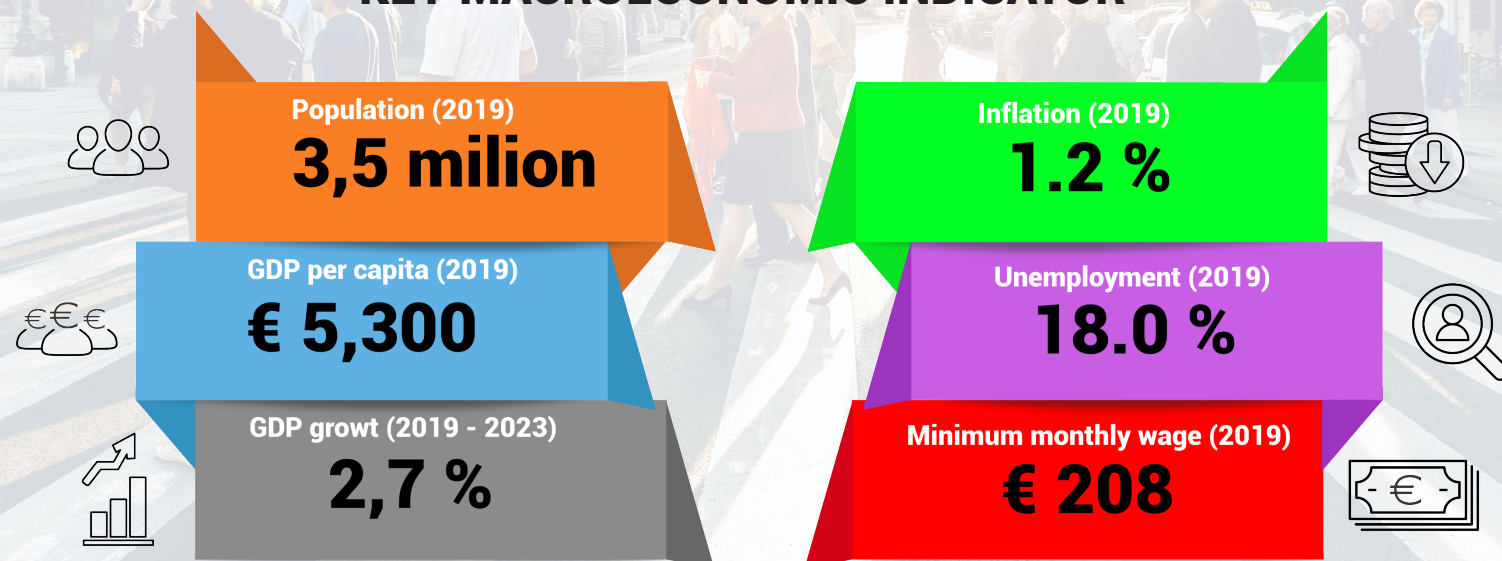
WHY BOSNIA AND HERCEGOVINA?



Invest in BiH and take advantage of these opportunities:

- Available natural resources and beauties
- Long tradition in different industry branches
- Abundance of industrial zone, attractive sites and available production facilities
- Favorable legal environment with guarantees and right protecting your investment
- Low tax rates – 10% corporate income tax, 25% total tax rate
- Highly educated and price competitive labor force
- Stable domestic currency BAM pegged to EURO
- Free Trade Agreements with all SEE countries, Moldova and Turkey
- B&H has generalized system of export preferences with EU countries, USA, Switzerland, Norway, Russia, Japan, Iran and other countries
- Wide road and railway network, 4 international airports, 1 sea port and 2 river ports, including good access to high speed internet and reliable and extensive mobile telephone networks and huge energy production resources
- Close to the EU market - 24-48 hours by truck

KEY MACROECONOMIC INDICATOR





TOURISM SECTOR

NEW UNEXPLORED DESTINATION

- BiH becomes an emerging tourism destination
- Unexplored and untouched natural beauties
- According to the World Tourism Organization (UNWTO), Bosnia and Herzegovina is on the list of the 10 countries that have recorded the most significant increase in tourist arrivals.
- According to the Los Angeles Times, Bosnia and Herzegovina is at first place among the ten great destinations to consider in 2020.
- According to Bloomberg's latest annual tourism growth ranking, Bosnia was placed ninth out of the top 10 European destinations.
- According to the USA Thrillist, City of Jajce in BiH is one of the most breathtakingly beautiful small towns in the world.
- According to the Telegraph, City of Trebinje is among 10 unsung cities you must visit in 2020
- In 2015. Lonely planet ranked Bosnia and Herzegovina at 5th position among the top countries in the world worth visit.
- The National Geographic ranked BiH in the top ten destinations in 2012 - in addition to the world's destination for rafting, hiking, skiing and other sports, BiH was chosen for its the best mountain biking trails.
- Also, Bosnia has been awarded the leisure destination in the outside world by the National Geographic.

- The Rough Guides have chosen Sarajevo as their second best city to visit in 2014. Following their motto 'Make the most of your time on earth' their experts on 200 worldwide travel destinations put the city second in their Top 10 Cities list after Rio de Janeiro and Sarajevo was described as 'a mini-Istanbul'. The city of Mostar has also recorded a growth in the number of tourists visiting this destination. Its cultural and historic heritage, the Old Bridge, the rivers of Neretva and Buna are all inviting tourists from around the world to come and visit this beautiful place.
- After the XIV Olympic Winter Games in Sarajevo, the host of the EYOF 2019 Winter Youth Festival were the cities of Sarajevo and East Sarajevo.
- Opening and construction of new tourism resorts
- Upgrading of accommodation, entertainment and recreation facilities of existing resorts
- Hotels privatisation
- Nature Parks commercialisation
- Resort operators
- Investment in tourism supporting infrastructure
- Excellent climate conditions
- Long tradition in winter tourism
- Favourable legal environment with guarantees and right protecting your investment
- Highly educated and price competitive labour force - Average net salary in tourism sector in 2020 was around 298 EUR (gross 456 EUR)



THE BIGGEST FDI IN TOURISM



Natural wealth and its diversity (mountains, rivers and forests) is a strong base for development of outdoor tourism in BIH. Geographic location in the center of Europe creates opportunity to attract large number of potential tourists within range of up to three hours flight. Unique cultural and historical heritage including religious sights are also major opportunities for development of creative tourism offer in this segment. Internationally recognized and important event such as Sarajevo Film Festival attracts significant number of tourists. Relatively low cost of services and good food and drink offer make BIH a destination recognized as good value for money. Hospitality is very important factor for creation of overall good experience and repeated visits to Bosnia and Herzegovina and exit polls show that tourists are highly satisfied with this aspect of tourism service in BIH.

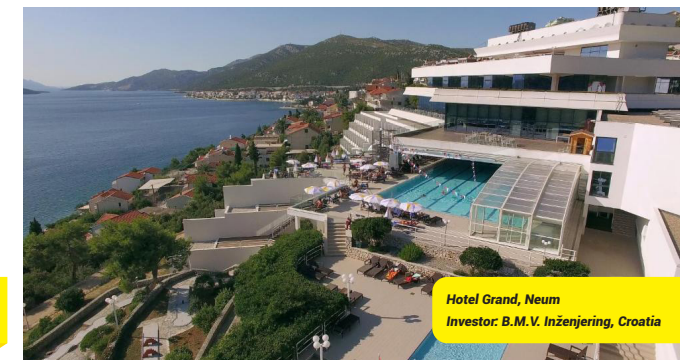
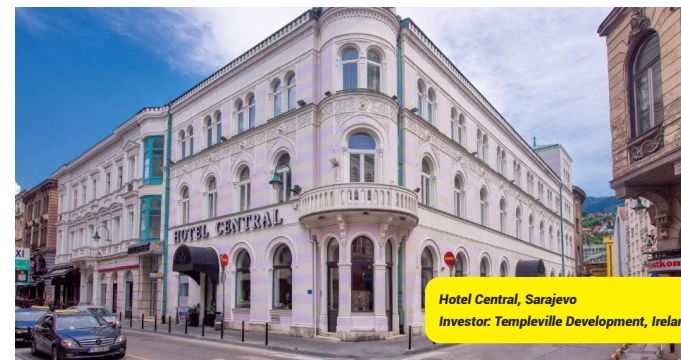


LAND OF INREDIBLE BEAUTY

... you'll be amazed to find that BIH is one of the most culturally and naturally diverse lands in all of Europe...

- Green Visions

SUCCESS STORIES



Bosmal Arjaan by Rotana



Mr. Guy Hutchinson, Rotana's acting CEO

„We are proud to contribute to the growth of the tourism sector in Bosnia & Herzegovina, support the country's ambitious plans to enrich the local hospitality market, and further elevate Sarajevo's position as a promising tourism and investment destination both regionally and globally. Owing to the growing demand for Sarajevo as an exciting tourism destination, the launch of Bosmal Arjaan by Rotana will support the hotel rooms offering in the city, and also contribute to the diversification of hotel products in Sarajevo's hospitality sector”

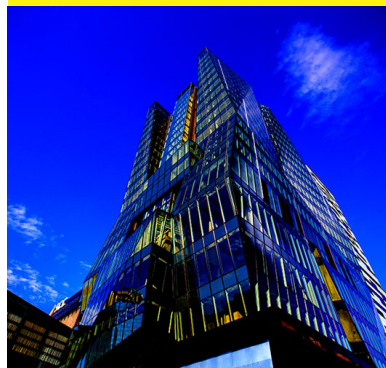
Residence Inn by Marriott



Mr. Enes Kazazic, Director SEIC Group

“We are proud to announce that SEIC Hospitality's journey from making the decision to invest to opening this hotel has taken only 14 months. Thus we have proved that Bosnia and Herzegovina is a country which should be built and invest in. The opening of the first international hotel's brand after 30 years is a gift not only to citizens of Sarajevo and Bosnia and Herzegovina, but also for the region”

Hotel Swissotel Sarajevo



Sulaiman Al Shiddi, General Manager, Al Shiddi International Group

“Al Shiddi International is interested in new investments in the fields of energetics, construction, industry and tourism. There is a lot of potential for investing and great projects in B&H.”

TOURISM STATISTICS

The BIH tourism Industry has recorded positive trends in all major growth indicators over the past ten years, with still considerable room for further utilization of its unquestionable potential.



The Via Dinarica is poised to become one of the world's top trekking destinations.
- National Geographic-

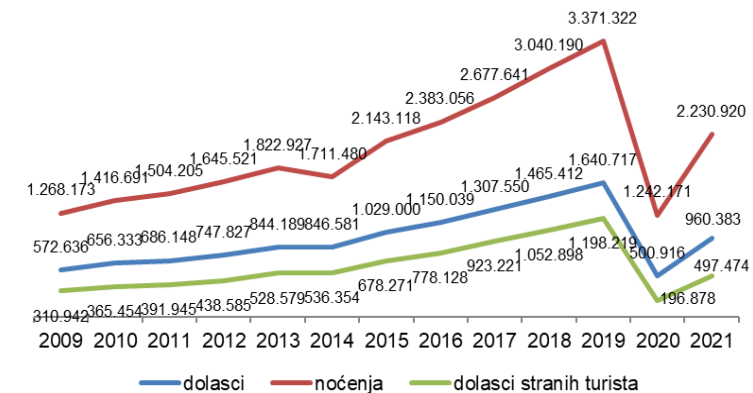
Awards for BiH at the World Annual Investment Meeting in Dubai -FIPA BH BEST AGENCY, AL SHIDDI TRADING BEST INVESTOR-

At the World Annual Investment Meeting (AIM), which is being held in Dubai from 8 to 10 April, with more than 20,000 people from the world business participating this year, the Foreign Investment Promotion Agency of BiH (FIPA) has been declared the best Agency for Attracting Foreign Investments for Central and Eastern Europe. At the same time, Al Shiddi Trading was named the best investor with his Swissotel Project in Sarajevo.

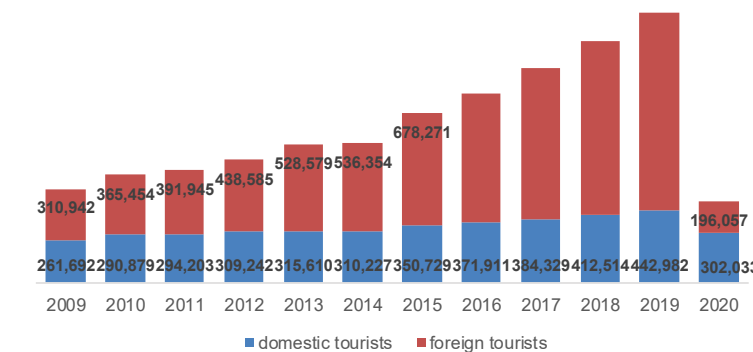
Number of arrivals and overnight stays in Bosnia and Herzegovina (B&H):

	Number of arrivals			Number of overnight stays (average)		
	domestic tourists	foreign tourists	increase for total	domestic tourists	foreign tourists	increase for foreign
2007	277,290	306,452		641,652 (1.8)	694,507 (2.2)	
2008	286,306	321,511	4.6%	677,735 (2.3)	718,750 (2.2)	4.5%
2009	261,692	310,942	- 6.3%	597,045 (2.3)	671,128 (2.2)	- 9.2%
2010	290,879	365,454	14.6%	643,937 (2.2)	772,754 (2.1)	11.7%
2011	294,203	391,945	4.5%	668,200 (2.3)	836,005 (2.1)	6.2%
2012	309,242	438,585	9.0%	714,440 (2.3)	931,081 (2.1)	9.4%
2013	315,610	528,579	12.9%	714,022 (2.3)	1,108,905 (2.1)	10.8%
2014	310,227	536,354	0.3%	623,008 (2.0)	1,088,472 (2.0)	-1.8%
2015	350,729	678,271	21.5%	717,357 (2.0)	1,425,761 (2.1)	31.0%
2016	371,911	778,128	11.6%	735,781 (2.0)	1,647,275 (2.1)	15.1%
2017	384,269	923,050	13.7%	763,681 (2.0)	1,913,444 (2.1)	16.2%
2018	412,514	1,052,898	14.0%	874,786 (2.1)	2,165,404 (2.1)	13.1%
2019	442,658	1,198,059	12.0%	952,217 (2.2)	2,419,105 (2.0)	11.7%
2020	304,038	196,878	-69.7%	752,947 (2.3)	489,224 (2.4)	-79.9%
2021	462,909	497,474	91.7%	1,043,146 (2.3)	1,187,774 (2.4)	142.8%

Source: Agency for Statistic of BiH



Source: Agency for Statistic of BiH



Source: Agency for Statistic of BiH

Arrivals by year and country:

Country	2010	2012	2014	2015	2016	2017	2018	2019	2020
Croatia	56,100	72,587	73,441	84,058	86,257	96,986	116,823	138,293	43,854
China					13,305	31,780	58,235	102,758	4,897
Serbia	56,370	57,380	57,264	66,473	69,326	77,867	88,797	102,316	54,705
Turkey	24,024	32,502	47,273	70,655	83,333	90,749	85,416	70,988	7,773
Slovenia	40,246	39,949	39,523	45,635	50,590	55,527	65,002	67,930	9,651
Saudi Arabia				9,302	18,362	24,402	30,930	65,853	1,946
Germany	17,281	19,581	22,492	25,516	29,088	34,612	50,402	56,782	6,058
Italy	23,749	26,137	40,169	50,346	42,207	43,718	44,979	47,831	3,551
South Korea			25,654	29,973	41,857	52,056	45,388	41,337	1,541
Poland	17,888	27,017	23,585	31,681	31,635	39,811	39,551	37,497	1,092
UAE					33,924	33,896	35,255	32,256	10,452
USA	8,239	9,743	13,678	18,361	21,040	25,926	28,187	33,960	4,495
Austria	14,344	15,990	18,207	18,911	20,697	23,889	26,560	28,114	4,407
France	10,734	10,141	11,055	15,698	14,147	15,851	20,282	20,234	1,605
Malaysia						14,052	18,779	18,922	869
Montenegro					12,294	14,190	16,923	18,532	6,521
Hungary						11,962	15,070	18,082	1,340
Spain							14,292	17,417	804
The Netherland						13,109	15,740	17,000	2,031

Overnights by accommodation:

	Nights (domestic and foreign tourist)	Hotels and similar accommod.	Holiday and other short- stay accommod.	Camps and camping grounds	Other accommod.	TOTAL
2014	Nights	1,597,861	48,938	14,164	50,517	1,711,480
	Participation	93.4%	2.9%	0.8%	3.0%	100%
2016	Nights	2,199,242	85,666	21,308	76,840	2,383,056
	Participation	92.4%	3.4%	0.9%	3.2%	100%
2018	Nights	2,768,206	124,386	25,000	122,598	3,040,190
	Participation	91.1%	4.1%	0.8%	4.0%	100%
2019	Nights	3,113,228	131,873	28,217	98,004	3,371,322
	Participation	92.3%	3.9%	0.8%	2.4%	100%
2020	Nights	1,151,246	36,064	7,440	47,421	1,242,171
	Participation	92.6%	2.9%	0.6%	3.8%	100%
2021	Nights	2,075,874	61,704	17,087	76,255	2,230,920
	Participation	93.1%	2.8%	0.8%	3.4%	100%
Nights index 2020/2019		180.3	171.1	229.7	160.8	179.

Source: Agency for Statistic of BiH

Foreign tourists are frequently selecting Bosnia and Herzegovina as a place where they will spend their holidays. So last year Bosnian and Herzegovina was visited more than 1 million tourists. But, total number of tourist arrivals in Bosnia and Herzegovina is four times higher than official statistics data.

"The country has immense opportunities for tourism development given its rich natural and cultural heritage, its unique mix of cultures and religions, as well as its strategic location close to major European source markets"

UNWTO Secretary General, Mr. Taleb Rifai

Companies from tourism sector according to the number of employees (%):

Hotels and catering sector	Number of employees 0-9	Number of employees 10-19	Number of employees 20-49	Number of employees 50-249	Number of employees more than 250
2020	77.1%	11.1%	8.5%	3.4%	0.0%
2019	72.8%	12.5%	10.3%	4.2%	0.2%
2018	71.8%	13.2%	10.7%	4.1%	0.2%
2017	72.2%	12.8%	10.8%	4.0%	0.2%
2016	73.9%	12.4%	9.8%	3.6%	0.3%
2015	74.3%	12.3%	9.5%	3.6%	0.3%
2014	75.6%	11.1%	9.5%	3.5%	0.3%
2013	77.1%	11.0%	8.2%	3.5%	0.1%
2012	78.9%	9.7%	8.3%	3.0%	0.1%
2011	79.0%	9.7%	8.2%	3.1%	0%

Source: BIH Agency for Statistics, Business Register

Number of companies from tourism sector according to the revenue:

Revenue	Less than 50 000 EUR	from 50 000 to 250 000 EUR	from 250 000 to 2 million EUR	from 2 to 10 million EUR	More than 10 million EUR
2020	588	306	151	8	-
2019	433	312	180	18	-
2018	415	289	172	18	-
2017	397	256	157	15	-
2016	384	252	137	16	-
2015	354	235	127	9	-
2014	372	222	120	10	-
2013	413	209	110	11	-
2012	426	211	98	9	-

The tourism market in BIH is gradually increasing and BIH becomes an emerging tourism destination!

■ THE MOST PROMISING TOURISM SEGMENTS

- Health and Spa
- Ecotourism
- Ski and Mountain tourism
- Cultural Heritage & Religious tourism
- Adventure tourism
- Sea tourism

■ HEALTH AND SPA TOURISM

In recent years the tourists are increasingly interested in health and spa tourism of Bosnia and Herzegovina, because the country is rich in high-quality thermal and mineral springs, health resorts and spas.

The Health Care laws do not distinguish between the private and public sector. According to the Law on Health Protection of the Federation of Bosnia and Herzegovina ("Official Gazette of BiH", number: 46/10) domestic or foreign persons or companies may be founders of private health institutions, including: clinics, general hospitals, special hospitals, spas, pharmacies, institutions for home care, for palliative care, and dialysis centers. According to the Law on Health Protection of the Republic of Srpska ("RS Official Gazette", No. 106/09) private health institution may be established by natural or legal person, including: family medicine clinic, dental clinic, pharmacy, special clinic, a special centres, hospital, institute for physical medicine and rehabilitation, institutions for home care, laboratory and stem cell bank.

Conditions for opening the health institutions in BIH are as follows:

1. To have employees with appropriate level of educational attainment, passed professional exam and license issued by the competent chamber, and for the special activities to have employees with adequate specialization or scientific/educational degree;
2. To have adequate diagnostic, therapeutic and other equipment for safe and modern health care
3. To have adequate space and facilities for the reception of patients, for diagnostic and therapeutic activities and accommodation of patients, as well as for the storage of drugs and medical devices;
4. To have adequate type and quantity of drugs and medical devices needed to do certain health activities;

5. To have adequate safety system in health institution;
6. To have adequate system for medical waste management in accordance with applicable standards, as well as special regulations;
7. To have opinion on the justification of the establishment of health institution issued by the cantonal and federal Institute of Public Health and adequate medical chamber (in entity Federation of Bosnia and Herzegovina), respectively issued by the Ministry of Health and Social Security (in entity Republic of Srpska).

Based on the decision on fulfillment of conditions for performing health activities and on founding act, health institution should make registration at competent court register.

Examples of successful foreign investments in health sector in Bosnia and Herzegovina:

- Acibadem Turkey
- Bahceci Turkey
- foreign co-ownership in Centar za srce BH in Tuzla - health institutions specialized in treatment of heart and blood vessels diseases

The belief in the curative powers of mineral waters goes back to prehistoric times. Such practices have been popular worldwide, but are especially widespread in Europe and Japan. Japan is maybe too far away, so you have come to the right place... Bosnia and Herzegovina, the heart of Europe... Until the beginning of 1990-ties, Bosnia and Herzegovina was well known and popular in entire region as a destination for health and spa tourism. Bosnia and Herzegovina is apparently derived from an old Indo-European word 'bosana', meaning water.

Usually nestled in beautiful surroundings with unspoiled nature and clean air, health resorts in Bosnia and Herzegovina offer true rest and relaxation, in addition to health care.

At present there are 15 health spas in BIH registered as health care institutions. There are located in the areas of Olovo, Fojnica, Bjeljina, Bihac, Srebrenica, Gradacac, Sarajevo, Kiseljak, Laktasi, Bosanska Dubica, Sanski Most, Teslic, Prnjavor, Banja Luka and Visegrad.

In last few years BIH has actively worked in development of its spas in order to offer better services to its guests.

“One of the prettiest places on the Earth”,
as E.B.Lanin wrote about Ilidza in The Contemporary Review in 1894 in London.

However, most of spas need investments in upgrading and modernization of existing facilities and programs, seeking for potential strategic partners to readjust their business models, management philosophy and marketing strategy.

■ ECOTOURISM

BIH has already established a number of national and nature parks such are:

- Sutjeska national park
- Kozara national park
- Una national park
- Hutovo Blato nature park
- Bardaca nature park
- Blidinje nature park

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Sutjeska national park is one of the first established in Europe and still holds the last remaining thousand year old rainforest Perucica.

A country also has the two swamps which are natural reservations and bird habitats. In the north, there is the Bardaca swamp, and the south Hutovo Blato – both have been declared destinations of an international significance by the Ramser International Convention about swamps.

The canyons, lakes, beautiful rivers, waterfalls, springs, and many more unspoiled natural resources have created a unique Bosnian eco tourism product. Furthermore, the villages in mountain regions, offer tourists the possibility to enjoy the special rural ambient with traditional hospitality, and rich culinary offer of domestic products.

BIH has numerous locations extremely suitable for eco, geo and ethno tourism development particularly in cooperation with capital investors.

■ SKI AND MOUNTAIN TOURISM

Skiing, hiking and alpinism tradition in Bosnia and Herzegovina has existed for over a hundred years, but the expansions of winter tourism came after the XIV Olympic Games held in 1984 in Sarajevo. Tourists and especially skiers say that you can find everything in Bosnia and Herzegovina: the perfect ski slopes of Jahorina, the best alpine skiing track on Bjelasnica, and the massive, tall and absolutely tame and open Vlasica, and harsh Kupres, and colorful Igman.

The Olympic Mountains Jahorina, Bjelasnica, Igman, Trebevic and Vlasica, as well as recreation centers of Kupres and Risovac, and ski resorts on Kozara, Busovaca, Ostrelj, Vlasenica, Vranica, Borje and others, offer more than 60 kilometers of perfect ski slopes.

The British Telegraph in 2015 ranked Jahorina in the top 10 ski destination in Eastern Europe.

Sarajevo, the national capital hosted the 1984 Winter Olympics, which, at that time, were the largest Winter Games ever (in terms of athletes and media). Also, the host of the EYOF 2019 Winter Youth Festival were the cities of Sarajevo and East Sarajevo.

The mountain centres are ideal for development of winter, sports, recreation, hunting and fishing tourism. Undoubtedly, Bosnia and Herzegovina has the strongest comparative advantages compared to other countries in the region.

At the moment all these huge potentials and opportunities are only partly exploited and numerous investment chances are offered to foreign investors including: investment in vertical transportation,

infrastructure, ski slopes, accommodation and other facilities.

With further development and capital investment, the mountain centres of BIH can offer the diverse and quality tourist offers, which can fulfill the needs of the most demanding tourists.

Some of the best-and cheapest-alpine skiing in all of Europe.

- Outside Magazine-

CULTURAL HERITAGE & RELIGIOUS TOURISM

Bosnia and Herzegovina is a country of long and rich history, which cultural heritage presents a complex mixture of Mediterranean, Byzantine, Ottoman and Central European influences making the country an unique attraction for cultural and religious tourism.

There are a number of towns, memorial of the past time and testimonial of continuity of habitation at these places from antique and medieval periods to present time such are: Mostar, Pocitelj, Banja Luka, Sarajevo, Trebinje, Travnik, Bihac, Visegrad, Jajce, etc.

As a meeting point of different civilizations and cultures over centuries, most of major religions Judaism, Roman Catholics, Christian Orthodox and Islam exist in harmony in BIH offering a number of sacred places and unique experience to domestic and international visitors.

"It is very rare in the world to find a city with all the confessions and sanctuaries on 100 square meters. All the tourist who come to Sarajevo usually visit the Cathedral, the Old Orthodox Church, the Gazi Husrev-bey Mosque and the Old Temple"

-Berlin's newspaper "Die Tageszeitung"-



Old Bridge, Mostar
UNESCO's World Heritage



Mehmed Pasa Sokolovic Bridge, Visegrad
UNESCO's World Heritage



TEKIJA (Dervish monastery) at BLAGAJ,
16th-century



MEDJUGORJE, One of the largest catholic
pilgrim sites in the World



■ ADVENTURE TOURISM



Bosnia & Herzegovina is an emerging adventure-tourism destination, with excellent whitewater rafting on the Una and Neretva rivers. - Lonely Planet -

Adventure trips and packages offer different types of active holidays for tourists including: rafting, kayaking, walking the canyons of a series of crystal clear waters of the river Tara, Una, Neretva, Vrbas, climbing rocks, hiking, mountain-biking, paragliding and hang- gliding, skydiving, adventure driving off-road vehicles in a beautiful and magical ambience of the Olympic Mountains, Treskavica, Romania, Prenja Cvrstica, Zelengore, Veleza, Vranica, Ozren, etc.

Adventure tourism in the country is still not sufficiently explored, but thanks to the natural beauty of mountains, rivers, canyons and lakes, adventure tourism can become BIH's tourism brand.

In January 2018, British magazine Guardian made a list of the top ten locations in the world for adventure tourism and Bosnia and Herzegovina was included on that list.

National Geographic ranked Bosnia and Herzegovina among the 10 best adventure destinations for 2012. Among the destinations that offer excellent rafting, mountaineering, skiing and other adrenaline sports, BIH was named as offering the best mountain biking trails.

In 2009 Rafting World Championship was successfully organised in Bosnia and Herzegovina at the River Vrbas and The Rivera Tara.

ATA (Association of Adventure Tourism BIH) represents BIH outdoor tourism in international fairs (i.e. 2011 Outdoor Retailer Summer Market (ORSM) - Salt lake City, Utah; Adventure World Travel Summit – Luzerne, Switzerland). ATA currently has eleven members offering diverse programs that include: hiking, rock climbing, mountain biking, kayaking, rafting, canyoning and fly-fishing.



"For the next six adrenaline-fuelled hours I encountered spectacular waterfalls, natural springs, cliff diving and swam in the rapids"

-Sarah Learmouth – Guardian-

■ SEA TOURISM

With its 23 kilometres of the Adriatic coast and 240 sunny days every year, Bosnia and Herzegovina each year attracts more tourists from all over the world. The town of Neum represents BIH's Adriatic Gate and is the only coastal town in Bosnia and Herzegovina. It was first mentioned in 533 (under the name Neunense), and developed as a maritime retreat in 1965. The Old Town of Neum is 2 km inland. Scuba-diving, parasailing, boating and jet skiing can be arranged in any of the major hotels. Guests are also offered very attractive tourist visits to Dubrovnik, Mostar, Medjugorje, Hutovo Blato and Vjetrenica. The current accommodation in Neum cannot meet the needs of tourists during the season, which offers investors an excellent opportunity for upgrading and construction of new facilities.



UNESCO WORLD HERITAGE SITES IN BOSNIA AND HERZEGOVINA

United Nations Educational, Scientific and Cultural Organization (UNESCO) has included the following Bosnia and Herzegovina sites on its World Heritage List:



The Old Mostar Bridge (Stari Most)



Mehmed Paša Sokolović Bridge in Višegrad



Sarajevo - unique symbol of universal multicultural - continual open city



Vjetrenica cave



The natural and architectural ensemble of Jajce



The historic urban site of Počitelj



The natural and architectural ensemble of Blagaj



The natural and architectural ensemble of Blidinje



The natural and architectural ensemble of Stolac



Stećaks - Mediaeval Tombstones

ENORMOUS DEVELOPMENT POTENTIALS

Tourism sector in BIH has enormous potential for development, possessing all preconditions to play a significant role within the country economy. For this reason, the tourism development was consequently recognized as one of the top priorities of the overall national economic development policy. Significant efforts have been put into creation of favourable business and investment environment for potential investors.

Investment Opportunities

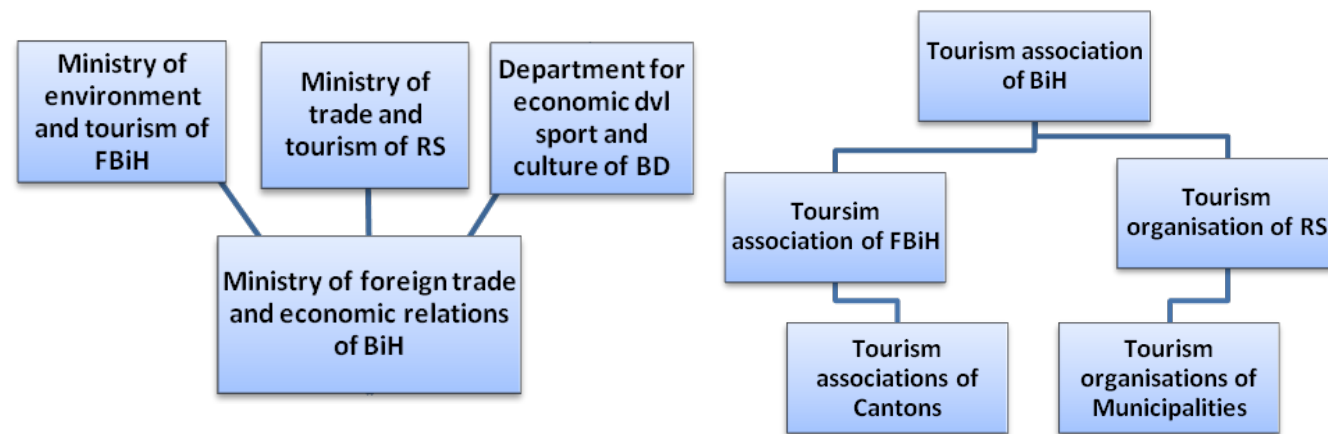
- Opening and construction of new tourism resorts
- Upgrading of accommodation, entertainment and recreation facilities of existing resorts
- Hotels privatisation
- Nature Parks commercialisation
- Resort operators
- Investment in tourism supporting infrastructure

Investment Modes & Approaches

- Individual private project
- Joint ventures
- PPP
- Concession
- Acquisition
- Privatisation
- Long term loans

Tourism in BIH offers a favourable business environment with increasingly active tourism promotion system.

■ KEY INSTITUTIONS & USEFUL CONTACTS



USEFUL CONTACTS

Ministry of environment and tourism of FBiH - www.fmoit.gov.ba

Ministry of trade and tourism of RS - www.mtt.vladars.net

Tourism Association of BiH - www.bhtourism.ba

The most popular tourism web portal - www.visitmycountry.net

MILITARY INDUSTRY IN BOSNIA AND HERZEGOVINA



■ GENERAL OVERVIEW FOR INVESTORS

This sector made big progress in production in the last six years and recorded a significant increase in employment, and it is planned to continue to increase the scope of business

Last two years, B&H's military industry is experiencing a rebirth with the introduction of several important inventions and products (prototype of a new self-propelled gun, a hand rocket launcher and a pistol, a new product - the despot armored vehicle).

Currently, military companies are producing a wide range of armaments and military equipment including:

- Explosives (military and industrial explosives and initiating explosives and chemicals)
- primers, detonators, pyro cartridges, and igniters
- ammunition - eastern and western standards
- weapons
- military equipment and components
- services - design, transfer of knowledge & know-how

1. One of the fastest growing branch of the Bosnia and Herzegovina industry

2. The military production is organized in more than 40 companies

3. BiH's military industry produced the wide range of armaments and military equipment

4. BiH's military industry is a leader in the region

5. The law on the policy of foreign direct investment in Bosnia and Herzegovina allows the entry of foreign capital in military industry over 49%

6. Guaranteed sales of products for the next 2 years ... existing companies have signed contracts for 2022 and 2023

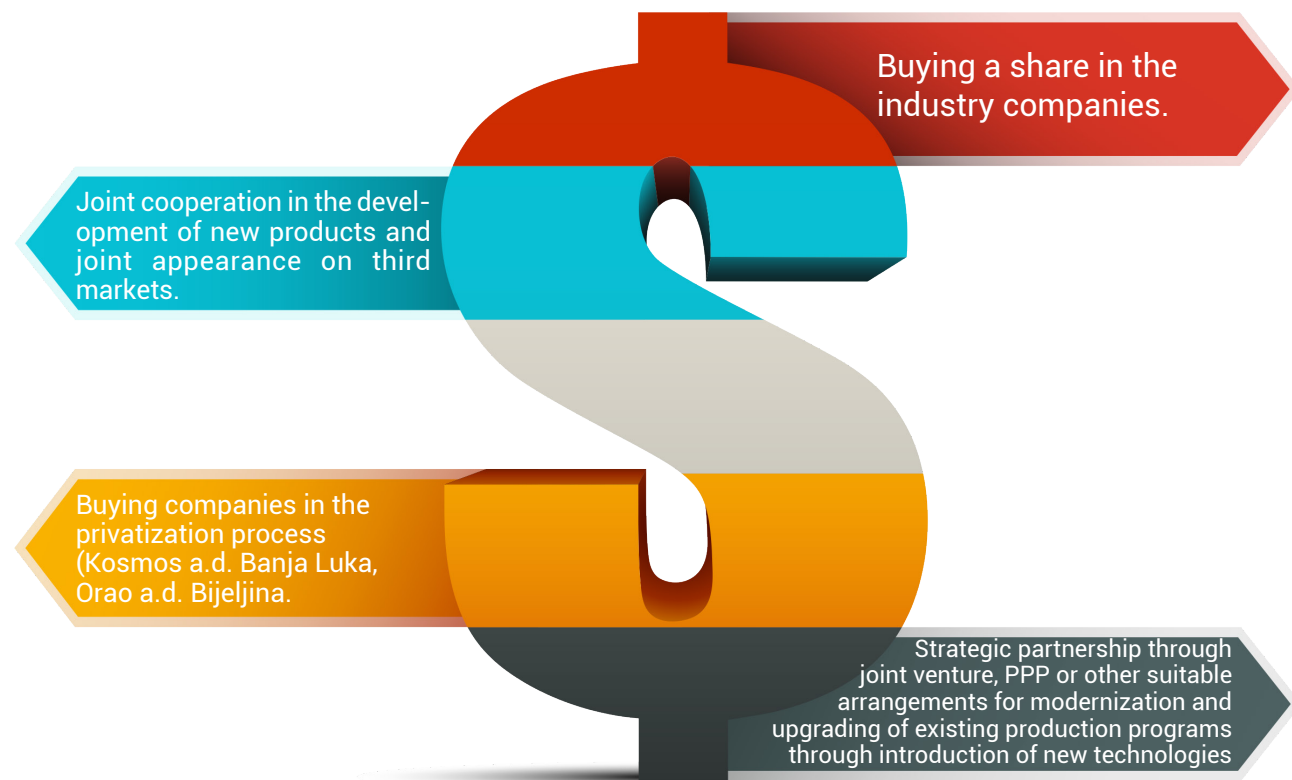
7. Sector with more than 5.000 employees and a tendency for further growth

8. The average monthly gross salary is 1,369 BAM or 691 euros

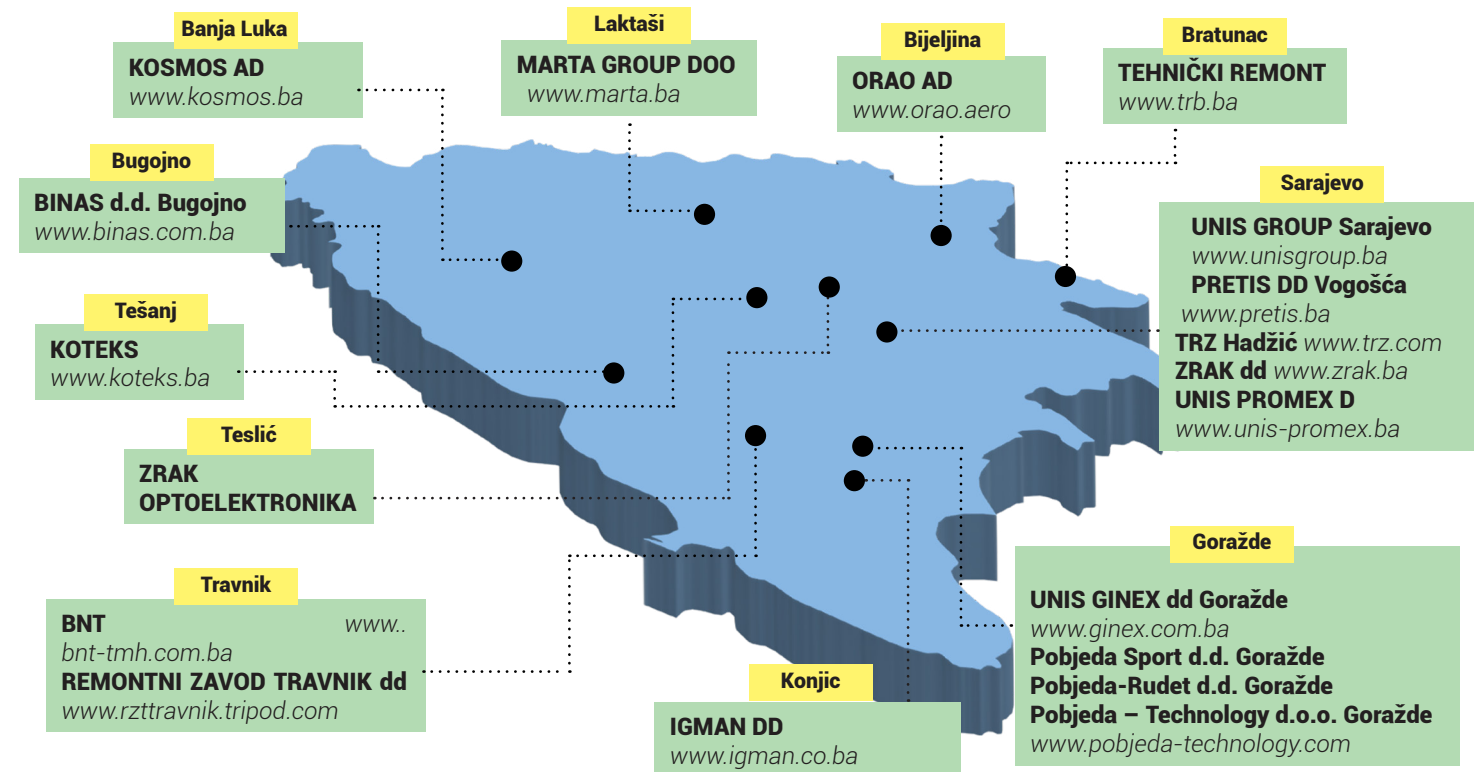
9. Export oriented sector with a long tradition and wide spread experience

10. In 2021, the military industry achieved increased exports by 18% compared to 2020

INVESTMENT OPPORTUNITIES



The production of ammunition and specially designed components, explosives, and optical equipment, as well as parts related to the defense industry, tanks, and military vehicles, as also the overhaul of military equipment, have been at the forefront of this industry's activities in B&H. Significant players of the defense industry, are included in the below pictures:

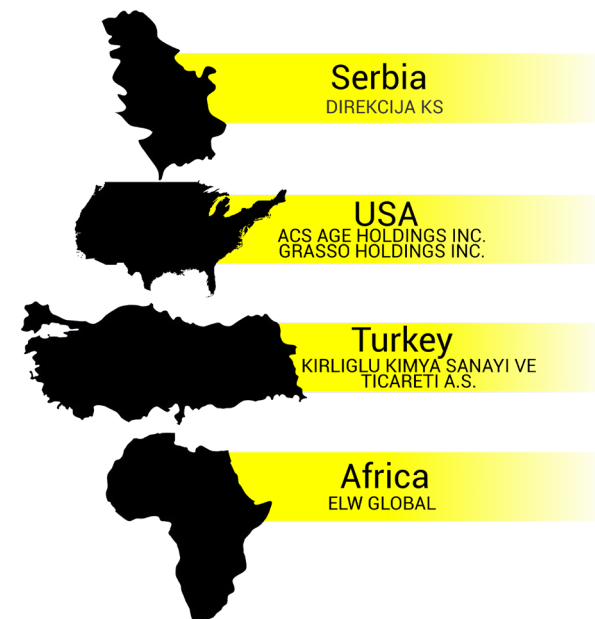


Map of companies in Bosnia and Herzegovina

COMPANY	CITY
Igman dd	Konjic
Ginex dd	Goražde
Pretis dd	Vogošća
Binas dd	Bugojno
Zrak dd	Sarajevo
TEHNIČKI REMONTNI ZAVOD HADŽIĆI DD	Hadžići
BNT TMIH dd	Novi Travnik
Pobjeda-Technology dd	Goražde
Pobjeda - Rudet dd	Goražde

COMPANY	CITY
Kosmos" a.d.	Banja Luka
„Orao" a.d.	Bijeljina
„Fabrika motora specijalne namjene" a.d. -IN BANKRUPTCY	Pale
„Tehnički remont" a.d.	Bratunac
„Nova tvornica prečištača" a.d.	Rogatica
„DNS" d.o.o.	Istočno Sarajevo
„BES" d.o.o.	Teslić
„ZRAK-DKS" d.o.o.	Teslić
„Tvek" d.o.o.	Prijedor
„Ikar" a.d.	Banja Luka
„VPM" d.o.o.	Banja Luka
„DORI GROUP" d.o.o.	Banja Luka
„AMMSOL" d.o.o.	Banja Luka
„Mineks" d.o.o.	Zvornik
„Matra" d.o.o.	Laktaši
„DEMIL" d.o.o.	Banja Luka
„Avioinženjering" d.o.o.	Laktaši
„Sinelt" d.o.o.	Banja Luka
„Zrak optoelektronika" a.d.	Teslić
„GIG inženjering" d.o.o.	Kneževo
„Fabrika specijalnih transmisija" d.o.o.	Istočno Sarajevo
„Istok" d.o.o.	Banja Luka
„Sparta" d.o.o.	Banja Luka

THEY HAVE ALREADY INVESTED



SOME SUCCESS STORIES OF THE SECTOR

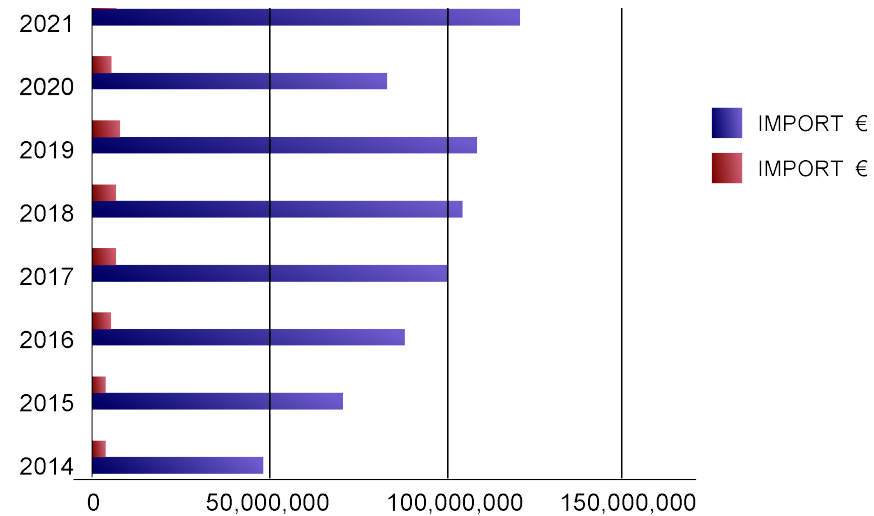
In 2018, TRB company introduced a new product - the Despot armored vehicle. Despot is designed to carry out a vast range of missions from police units to armed forces. Despot presented at the „International Defence Exhibition and Conference" (IDEX) Fair in Abu Dabi in February 2019. This year, TRB company will present a new product - a prototype vehicle, a light combat vehicle (intended for five people), which was made in cooperation with the Ministry of Interior of the Republica Srpska (MUP), ie with the Special Anti-Terrorist Unit. Also, TRB will build a factory in Banja Luka or its surroundings in the next 12 months.

TEHNIČKI REMONT BRATUNAC - TRB <https://trb.ba/>

The company "Igman" from Konjic opened a new line for the production of ammunition and this year it is planned to hire about 100 new workers. This Bosnian giant of the purpose-built industry "Igman" from Konjic celebrated its 72nd anniversary this year, and on that occasion, opened a new production line of 7.62 mm caliber ammunition (the production of this caliber of ammunition is increased by about 50 million pieces per year).

IGMAN DD KONJIC www.igman.co.ba

The defense industry is an export-oriented sector and among the five industries that achieve the best results in B&H when it comes to foreign trade. According to the Foreign Trade Chamber of Bosnia and Herzegovina, in 2021 it registered an export of approximately 120 million €, while in 2014 it was about 48 million € (tariff 93). Explosives (tariff 36) exported €, 23.03 million in the previous year. That means that exports of arms and ammunition; parts and accessories thereof from Bosnia and Herzegovina were almost tripled in the last six years. If we compare with the previous year, we see a growth in exports of 18% (in 2020. smaller exports are caused by the COVID-19 pandemic).

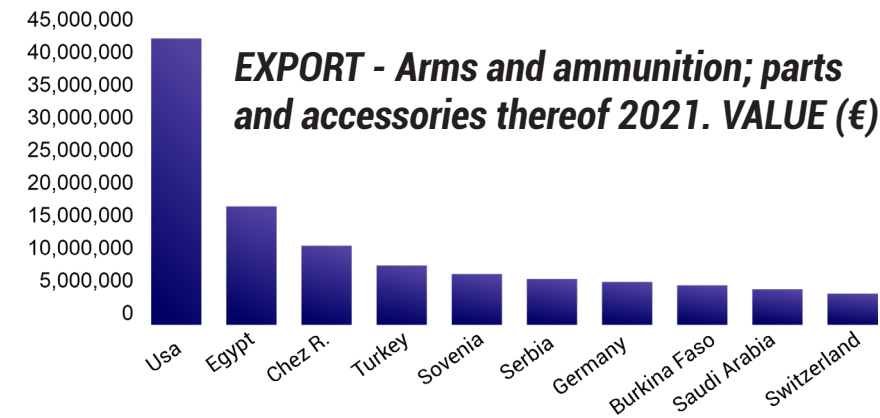


Chamber of Bosnia and Herzegovina

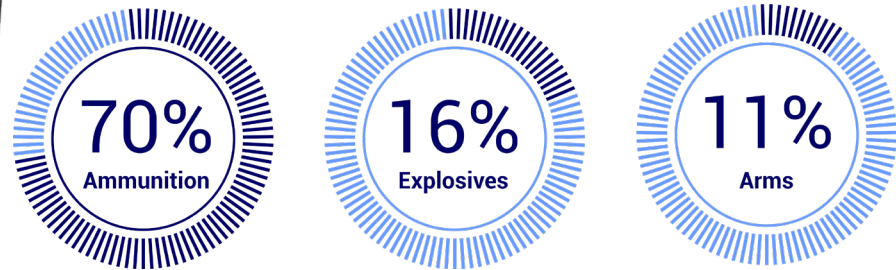


Source: Foreign Trade

Leading markets – USA, Egypt, Czech Republic, Turkey - take part in over 60% of BiH export of weapons and military equipment. Dedicated production of BiH is concentrated on the production of ammunition so that the export of this group of products is more than 75%, slightly more than 16% on explosives, and 11% on parts of weapons. One-third of exports went to the United States.



Source: Foreign Trade Chamber of Bosnia and Herzegovina



According to the latest detailed data available, the main BiH Arms and Military Equipment (AME) importers, were Italy, South Africa, Germany, Turkey, USA, Serbia, Czech Republic, Croatia, Slovak Republic, and Slovenia.

DATA FOR REPUBLIKA SRPSKA PARTICIPATION IN THE MANUFACTURING INDUSTRY

Total revenue 0,61% | Profit 0,37% | Export 1,39%

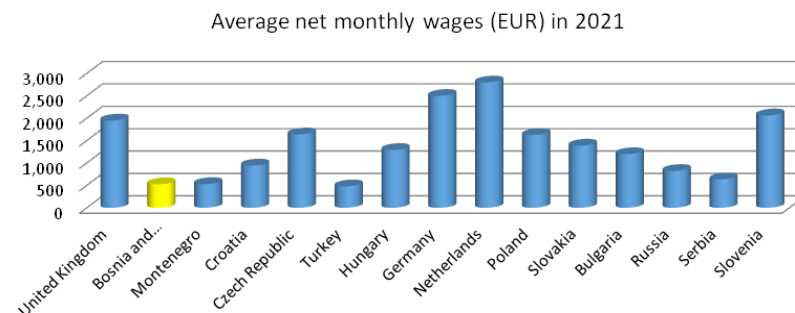
The total income of companies in the field of the military industry in 2019 was 31,957,276.00 BAM, which is less by 0.97% compared to 2018.

This sector employs over 1200 workers.

DATA FOR THE FEDERATION OF BOSNIA AND HERZEGOVINA

The military industry in the Federation of Bosnia and Herzegovina records higher business results than planned by the "Strategy for the Development of Military Industry in the Federation of Bosnia and Herzegovina for the period from 2012-2022". In 2020 business results were realized at approximately 220 million BAM.

Currently, 3708 workers are employed in this industry of FBiH, while the average salary is 1023 BAM or 538 euros.



FORESTRY AND WOOD INDUSTRY IN BOSNIA AND HERZEGOVINA



■ FOREST RESOURCES

Forests in Bosnia and Herzegovina cover a large part of its territory (according to recent data, forests and forest land in BiH cover an area of 3.231.500 hectares or 63.3% of the total area of BiH) and contribute effectively to the territorial and biological balance. New data indicate the existence of as many as 435 million m³ of wood stock, which amounts to 201 m³ / ha.

Wood and timber are undoubtedly an important resource of each country that generates local economic growth and significantly influences the creation of jobs in rural areas. Due to their natural and diverse structure, as well as significant natural regeneration, forests have been given the status of the key resource for further development of Bosnia and Herzegovina.

The main types of trees are meals, spruce, pine, beech, oak, maple, elm and fruit trees (cherry, apple, pear). It should be emphasized that beech and oak from Bosnia and Herzegovina in the production of furniture is a highly valued raw material, which additionally opens many doors in the world to B&H manufacturers.



Lately, ecological, economic and social demands towards forests are increasing, and pressures on climatic conditions have been increased. This requires additional efforts both for increased coordination of all activities and encouraging different forms of cooperation, as well as for encouraging greater application of innovations within the sector. These demands, and especially the pressures, tend to be continuously increasing, because, apart from the traditional economic benefits of timber raw materials, as time passes, significant contribution to the social, climate and energy development and the country's position as a whole will also be important.

On the existing raw material basis, a strong wood industry has been developed. The industry which has a long tradition of producing a very wide range of wood products. Its development is based on the use of domestic natural resources and it is traditionally export-oriented.

Until the 1990s companies from this sector were known around the world, and Bosnia and Herzegovina was the second largest European furniture exporter, right behind Italy.



The wood sector includes the following activities:

- Forestry and forest exploitation and related service activities;
- Processing of wood and wood products and cork;
- Manufacture of paper and paper products;
- Manufacture of furniture, other processing industry.

The most important advantages, ie the strengths of the BiH-wood processing sector are:

- Tradition of industrial production
- Low labor costs
- Domestic raw material basis
- A favorable geographical position, or proximity to the European Union market.

The unused opportunities and possibilities of the bh wood processing sector are:

- Increase the degree of product finalization
- Foreign investment in the sector
- Low trade barriers
- The image of the European manufacturer

Undoubtedly the enormous forest resources available to BiH represent a significant comparative advantage of the country in relation to neighboring and other European countries.

CERTIFICATION OF FORESTS AND PRODUCTS STANDARDIZATION

Two key effects are achieved by certification of forest resource management. First of all, it improves the performance of the business, with the aim of achieving sustainable management of forest resources, as well as increasing the competitiveness of the company, since it is one of the specific criteria that the EU market demands when it comes to the export of BH furniture and proof of the origin of the raw material.

FSC is a global generic standard recognized as the highest social and environmental standard for forests. FSC (Forest Stewardship Council) certification means that the forest is managed according to strict environmental, social and economic standards. BiH, as well as the surrounding countries, have chosen this standard and certified forests according to the FSC Sandarwood. In the RS, all state forests are certified and resertified according to the requirements of the FSC standard (Forests

of the Republic of Srpska). In the Federation, the companies with a forest management certificate are ŠGD Hercegbosanske šume d.o.o. Kupres, JP Forests of Tuzla Canton and Una-Sana forest d.o.o. Bosanska Krupa and Sarajevo-forests started certification for forestry production¹. Private forests (either in the RS or in the Federation of BiH) doesn't have this certificate.

FSC® CoC (Chain of Custody) - International certification for wood from sustainable forests which proves that wood parts of the certified product are traceable to well-managed forests, controlled sources or recycled materials. This certificate is particularly important after the entry into force the EU TR 995/2010 (European Tree Regulation) setting a barrier to the trafficking of illegal forestry activities to be placed on the EU market. Manufacturers of timber products covered by this regulation will have

to provide their customers in the EU with complete information on the product with objective evidence that the wood does not originate from illegal sources. FSC CoC is a trace of product information from forest to buyer including all stages of processing, transformation, production and distribution where further processing involves the change of ownership.

In accordance with EU Regulation 305/2011 on construction products from 2013, it is mandatory to have a CE mark for unhindered traffic on the European market. Precisely defined products and groups of wood industry products that are built into the building must have the CE mark.

Establishing a center for quality in the wood-working industry - Since 2014 in BiH (Zenica) within the Center for excellence in wood (CID), there is an accredited Furniture Testing Laboratory (LIND), which (the only one in BiH) meets the requirements of the standards BAS EN ISO / IEC 17025: 2006, and as such, it provides services for testing the mechanical

properties of furniture and equipment for children's playgrounds, which until now have been provided only by accredited laboratories abroad. Activities on the expansion of laboratory services are underway to examine building joinery and façade elements. Laboratory services have been made available to BH producers of furniture who want

to obtain certificates of conformity for their products and that are ready to respond to sophisticated export requirements to the EU market and beyond.

With the support of the international USAID-SIDA FIRMA project and its successors, activities on the establishment of the Quality Center are also in progress, also within the Center for Excellence in Wood (CID). The support of international projects for the development of these and similar capacities in BiH will continue, with the aim of further improving the business environment in the wood sector.

¹ Source: Chamber of Commerce and Industry of the Federation of Bosnia and Herzegovina - <http://www.kfbih.com/fbih-products-quarter-company-with-certificate-for-sustainable-management-sumps>

MACROECONOMIC INDICATORS (SECTOR IN NUMBERS)

Volume of industrial production:

The increase in gross value added of the wood sector (three activities) in 2018 compared to the previous year was 9,84 %.

The contribution of the processing industry to GDP growth in 2018 was 13,23 % of which the contribution of the wood sector was 2,12 % (excluding forestry and forest exploitation).

Bearing in mind that by 1992, the participation of the wood sector in the gross national income of BiH was about 10%, there is still plenty of room for improvement.

NACE	Activities	Value, 000 KM			Index 2018 2017
		2016	2017	2018	
C16	Wood processing and products of wood and cork, except furniture	265 999	304 070	323 482	106.38
C17	Production of paper and paper products	97 467	128 773	153 019	118.83
C31	Production of furniture, other processing industries	172 857	209 999	229 591	109.33

Source: BiH Agency for Statistics: Thematic Bulletin 01 - Gross Domestic Product by Production, Income and Expenditure Approach 2018

Foreign trade:

In the structure of exports of wood sector, the largest part relates to exports of products from the activity production of furniture - 48 %, then to - wood and timber processing – 34 %. Furniture is mostly exported to European countries. Wood products foreign trade occupies an important place in the overall economy of BiH. In favour of this goes the constant multi-year surplus in this sector that are realized. The coverage of import by export in the sectoral foreign trade in 2019.godini amounted to 190 %. The volume of foreign trade of the sector makes 9 percent of the total volume of foreign trade in BiH, and participation of export of these four activities in total BiH exports is 16 % in 2019. The export achieved in 2019. in all four Sector's activities, reduced by 10,18 % compared to:

Export and import of BiH in 2019, in 000 KM					
KD	By areas of KD - production principle	Export	2019 2018	Import	2019 2018
A02	Forestry and logging (forest exploitation)	102 287	86	31 774	213
C16	Manufacture of wood and products of wood and cork, except furniture	635 260	95	283 713	104
C17	Manufacture of paper and paper products	235 862	83	447 854	99
C31	Manufacture of furniture	881 704	89	210 529	111

Source: Agency for Statistics of B&H, Press Release 12 (January 2020), BiH Foreign Trade Statistics, january-december 2019.

Number of companies and employees in the sector:

Wood industry of Bosnia and Herzegovina is organized within a large number of small and medium-sized enterprises, mostly privately owned. These companies produce a wide range of products: furniture, furniture elements, construction joinery, parquet floors and flooring, sliced materials, massive plates. According to the statistical business register managed by the Statistics Agency of BiH in the middle of 2019, 1 560 enterprises were active. According to the data of the statistical institutes of the Entities, the woodworking sector (with forestry) in 2019 employed 41.387 workers (of which in primary processing 11,741 (28.37%), and in the final 29,646 or about 71.63 %), i.e. 361 workers more than in 2018. or 24.73 % of the total number of employees in the BiH manufacturing industry. In the wood industry of BiH the highest number of workers are with secondary education (more than 60%), while the participation of unskilled workers is about 20%, and there are only 2% highly educated workers (despite the existence of 4 institutions for higher education in forestry and wood processing in BiH).

The average net wage per employee in the sector varies depending on the activity, and the highest is in forestry (state-owned enterprises) 968 KM, while the lowest is in the processing of wood and wood products (516 KM). In the production of paper, the average net salary is 879 KM, and in the production of furniture the average net salary is 603 KM per employee.²

² Source Federal Bureau of Statistics, Release 8.4, February 2019. The RS Statistical Office does not publish data on average salaries by area. Data on salaries by industry for Brcko District are not extracted.

INVESTMENT OPPORTUNITIES

Numerous possibilities for inflow of both, foreign and domestic capital, lie in the revival of former large industrial capacities (Krivaja Zavidovići, Konjuh Živinice, Sana Sanski Most, Sanica Ključ, Borja Teslić, Romanija Sokolac, Šipad Sarajevo and others) that were the bearers of the economic development of Bosnia and Herzegovina. For potential investors, companies that are in bankruptcy proceedings may be interesting. Bosnia and Herzegovina also needs investment in forestry infrastructure and new forest exploitation technologies that will enable the increase in the utilization of timber, especially logs of smaller volume and lower-quality, in order to create new products with higher added value. The traditional production of high-quality solid wood furniture in a small and medium-sized enterprises

in BiH is also a great investment potential of the BiH wood processing sector.

The availability of unused biomass in BiH remains very high. It is estimated that, per year, around 800,000 tons of biomass in BiH remain unused. Investors are currently interested in the use of wood biomass for the production of pellets and wood chips, intended for the production of ecological heat energy. The use of wood biomass for the production of particle boards, despite certain concrete interests, still does not occupy an adequate place in the BiH wood processing sector, so there are significant investment potentials which are unused.

SUCCESSFUL STORIES

Foreign companies, investors in this sector:

- Natron Hayat d.o.o. Maglaj-Hayat Group, Turkey,
- Standard Furniture Factory d.d. Sarajevo-Standard Furniture Factory, Germany,
- Standard a.d. Prnjavor- Dacomet AG, Switzerland,
- SHP Celex a.d. Banja Luka-SHP Harmanec, Slovakia,
- AD Nautic d.o.o. Goražde-Prevent Group, Slovenia,
- Lipa drvo d.o.o. Omarska-Cora Group, Italy,
- Dempson Bosna d.o.o.Kozarska Dubica - Dempson Crooke, United Kingdom,
- Nord Ent Tešanj-Lockwood en Partners B.V I G.P.D.H. Onroerend B.V, Netherlands,
- Prima Inga Stolarz Gabi (ISG) d.o.o. Gradiška-Poland
- Prowood d.o.o. Mrkonjić Grad-Tulisso Moreno i Dasnielis Manuele Italy...

NATRON HAYAT DOO MAGLAJ (TURKEY)

"Natron-Hayat d.o.o. Maglaj is an esteemed European company enjoying high reputation in the field of production of various types of paper and paper packaging. It was founded on 15 April 2005 by company Natron d.d. Maglaj and the reputable company Kastamonu Entegre company, which is a member of the internationally renowned Hayat Holding Group from Turkey. This newly established company has inherited a 50-year-old tradition and experience in the paper industry (based on the successful work of the former Natron d.d. Maglaj). Natron-Hayat currently employs more than 840 workers. A great number of young and highly qualified employees, along with older experts of various profiles, are making every effort to meet the expectations of every customer. They can offer the following products: packaging paper, MG (machine glazed) paper, crepe paper, finishing paper, paper sacks, paper bags, corrugated board and board packaging, cores. With its current production, company meets not only the domestic market needs but also those outside the borders of Bosnia and Herzegovina."

Mr. Avanash Taneja, Managing Director, Natron Hayat doo Maglaj -

"I would like to emphasize that Norton head has been one of the most successful privatizations in the country. That has happened not only because it had a very strong, determined and resourceful group head group behind it, but also because of very sincere dedicated, technically strong, workforce in the mill and in the country which delivered the right results once guided properly. In my opinion it is one of the strengths of BiH because only state of the art machines do not deliver the results but you need the right people behind them."

USEFUL CONTACTS

- Ministry of Foreign Trade and Economic Relations of B&H - www.mvteo.gov.ba
- Federal Ministry of Agriculture, Water Management and Forestry - www.fmpvs.gov.ba
- Ministry of Agriculture, Forestry and Water Management RS - www.vladars.net
- Wood Cluster Association in B&H - www.drzni-klaster.ba
- Foreign Trade Chamber, Association of Forestry and Wood Processing
- Industry - Timber group - www.komorabih.ba
- Federal Chamber of Economy, Division of Forestry, Wood Processing and
- Printing Industry - www.kfbih.com
- Chamber of Economy RS, Association of Forestry and Wood processing - www.komorars.ba

ENERGY SECTOR OF BOSNIA AND HERZEGOVINA

■ WHY INVEST IN BIH ENERGY SECTOR?

- Bosnia-Herzegovina came in FIRST PLACE out of all European cities for FDI renewable energy investment relative to population size for 2020, according to the fDi Intelligence, a data division of the Financial Times
- BiH is on the 8th place in Europe for hydro energy potential and possible annual production of 99.256 GWh
- Huge hydro potential of over 4000 MW
- Potential of wind energy is estimated at 2000 MW
- ~1.5 million m3 of wood waste can be used for biomass energy
- Potential installed capacity for solar power plants is 4010 MW
- Solar irradiation vary from 1,240 kWh/m2 in the north to 1,600 kWh/m2 in the south where the sun can shine 270 days a year
- Energy Community Membership
- Favorable Feed-in-tariffs for RES power plant
- Low Operating costs and Competitively priced & qualified human capital
- Energy Reserves and Potentials
- Skilled human capital

Gross electricity production in Bosnia and Herzegovina in 2020 was 16 874GWh, out of which 4 663 GWh or 27.6% was produced in hydro power plants and 11 557 GWh or 68.5% in thermal power plants, and 654 GWh (3.9%) was produced in autoproducers and others (wind and solar power plants). Own consumption in power plants was 1 240 GWh, and 304 GWh in other energy sector. In final electricity consumption in 2020 households participated with share of 48.3%, industry with share of 25.4% and other consumers including construction, transport and agriculture with 26.3%. The largest share in final electricity consumption in 2020 at industry sector had Iron and Steel Industry with 23.5% while Food, Beverages and Tobacco Industry participated with share of 13.8%

BiH remained at first place in the region with exports of electricity . The value of electricity exports from Bosnia and Herzegovina in 2021 jumped 66.9% against 2020, to about EUR 424 million, reaching an all-time high.

1 st March 2016 BiH joined in Brussels the International Energy Charter - successor of the European Energy Charter, as the 76th member state.

THE FOREIGN COMPANIES THAT ALREADY INVESTED IN BIH ENERGY SECTOR

Top 5 Foreign Direct Investment in BiH Energy sector where the Foreign companies invested more than 15 million EUR, are shown at following table:

Country	B&H Company	Foreign Company	Subsector	Investment in 000 Eur
Denmark	"EFT Group Rudnik lignita Stanari" d.o.o. Stanari	EFT ApS Kopenhag	Coal	600 000
Russia	Rafinerija nafte Brod Rafinerija ulja Modriča	Nefte Gauin Kor (Zarubežnjjet)	Oil	245 423
Slovenia	Petrol BH Oil Company d.o.o. Sarajevo	Petrol Ljubljana	Oil	43 460
Croatia and Hungary	Energopetrol d.d. Sarajevo	Consortium MOL/INA	Oil	23 520
Germany	Messer Sarajevo - Plin d.o.o. Sarajevo	Messer Gressheim H.	Gas	15 313
	Messer Mostar - Plin d.o.o Mostar			

RECOGNITION OF EXISTING FOREIGN INVESTOR

"...The investment climate in Bosnia is in our view very attractive for investors. First of all, there are ample natural resources in terms of coal and water available for hydro units. Additionally, the investment climate and regulatory environment in the energy sector is improving."

Mr. Vuk Hamović, EFT Group Chairman (United Kingdom)

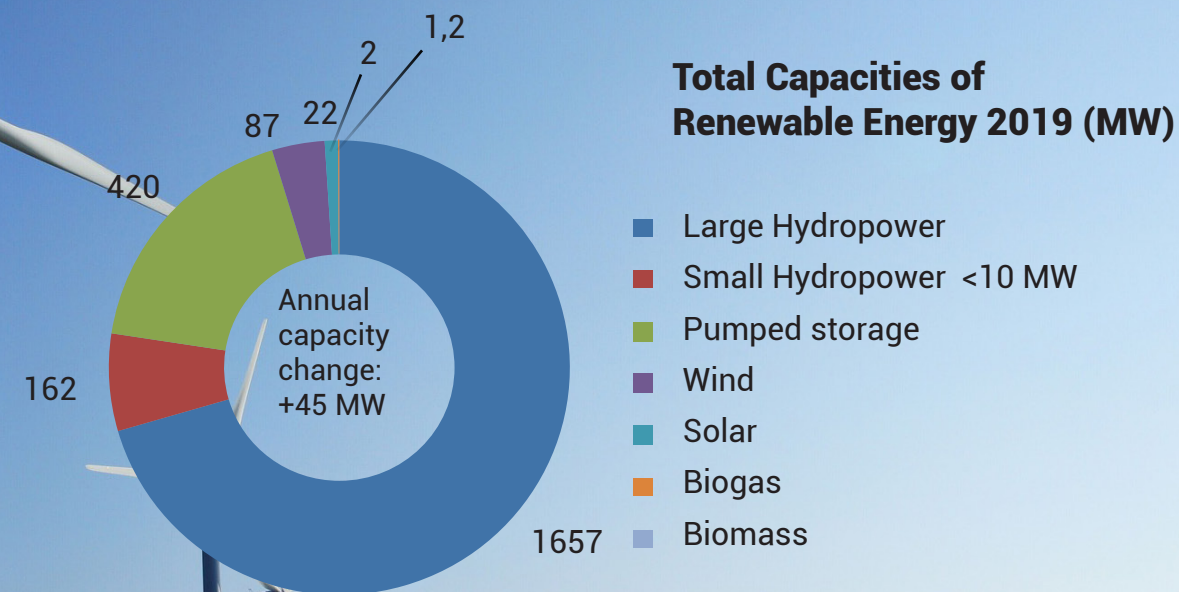


FAVORABLE FEED-IN-TARIFFS BiH 2021
Guaranteed feed-in prices for electricity generated in RES PP
Federation of BiH

POWER PLANTS	POWER	REFERENCE PRICE	TARIFF COEFFICIENT	GUARANTEED PRICE
	kW	€ / kWh		€ / kWh
SOLAR POWER PLANTS				
Micro	23	0,112211	2,5901	0,29063
Mini	150	0,112211	1,9910	0,22341
Small	1.000	0,112211	1,5788	0,17716
BIOMASS POWER PLANTS				
Micro	23	0,112211	2,7222	0,28575
Mini	150	0,112211	2,1367	0,24292
Small	1.000	0,112211	2,0582	0,22779
Medium	10.000	0,112211	1,9320	0,20940
HYDRO POWER PLANTS				
Micro	23	0,112211	1,5059	0,16898
Mini	150	0,112211	1,3642	0,15308
Small	1.000	0,112211	1,0736	0,12047
Medium	10.000	0,112211	0,9882	0,11089
WIND POWER PLANTS				
Micro	23	0,112211	2,0298	0,22777
Mini	150	0,112211	1,6587	0,18612
Small	1.000	0,112211	1,3864	0,15557
Middle	10.000	0,112211	1,1661	0,13085
Large	15 000	0,112211	1,0696	0,12002

POWER PLANTS CAPACITY		SALES IN THE OBLIGATORY PURCHASE AT GUARANTEED FEED IN PRICES		SALES ON THE MARKETS AND CONSUMPTION FOR OWN NEEDS	
	Guaranteed feed in price €/kWh	Reference price €/kWh	Premium (in Guaranteed price) €/kWh	Reference price €/kWh	Premium €/kWh
BIOMASS POWER PLANTS					
Up to & including 1MW	0,2298	0,0570	0,1728	0,1026	0,1272
Ower 1 MW up to&including 10 MW	0,2153	0,0570	0,1583	0,1026	0,1127
SOLAR POWER PLANTS					
On the structure up to& including 50 kW	0,2029	0,0570	0,1459	0,1026	0,1003
On the structure over 50 kW up &including 150 kW	0,1936	0,0570	0,1366	0,1026	0,0910
On the structure over 150 kW up &including 250 kW	0,1696	0,0570	0,1126	0,1026	0,0670
On the structure over 250kW up to 1MW	0,1373	0,0570	0,0803	0,1026	0,0347
On the land up to &including 150 kW	0,1824	0,0570	0,1254	0,1026	0,0789
On the land over 150 kW up to and including 250 kW	0,1581	0,0570	0,1011	0,1026	0,0555
HYDRO POWER PLANTS					
Up to& including 1MW	0,1396	0,0570	0,0826	0,1026	0,0370
Over 1MW to& including 5MW	0,1152	0,0570	0,0582	0,1026	0,0126
Over 5 MW up to& including 10 MW	0,1113	0,0570	0,0543	0,1026	0,0087
WIND POWER PLANTS					
0	0	0	0	0	0

Gross electricity production in Bosnia and Herzegovina was 1948 GWh in February 2021. In total gross electricity production hydro power plants participated with the share of 48.8%, thermal power plants with 49.5% and solar and wind power plants with 1.7%.



Source: State Electricity Regulatory Commission of Bosnia and Herzegovina (SERC)

Electricity prices for non-household customers (KM/100 kWh), Bosnia and Herzegovina, July-December

Interval of annual consumption of electricity	Price with all taxes excluded	Price without VAT	Price without with all taxes+VAT included
IA (<20 MWh)	21,23	21,72	25,42
IB (20< 500 MWh)	17,25	17,74	20,76
IC (500<2000 MWh)	13,73	14,28	16,71
ID (2000<20000 MWh)	13,30	13,72	16,05
IE (20000<70000 MWh)	10,85	11,40	13,34
IF (70000<=150000 MWh)	9,02	9,77	11,43
IG (>150000 MWh)	14,71	15,08	17,65

Source: State Electricity Regulatory Commission (SERC)

ENERGY SUBSECTORS

B&H energy sector encompasses the following main subsectors:

- Coal
- Oil & Natural gas
- Power generation

COAL

Coal is one of the most important energy resources in Bosnia and Herzegovina. Major deposits of lignite and brown coal are sited all around Federation of BiH (FBiH) and Republic of Srpska (RS). Most of the existing coal mines fuel thermal power plants (TPP) in both entities. Coal mines situated in Northeast and Central Bosnia serve two TPPs, Kakanj and Tuzla, operated within the company Elektroprivreda Bosne i Hercegovine (EPBiH), whereas Ugljevik Coal Mine and TPP, and Gacko Coal Mine and TPP are operated within the company Elektroprivreda Republike Srpske (EPRS).

EXISTING COAL MINES IN FEDERATION OF BIH

1. Banovići (brown coal) surface mines Čubrić, Turija and Grivice; underground mine Omazići
2. Durđevik (brown coal) surface mines Višća II and Potočari ; underground mine Durđevik
3. Kakanj (brown coal) surface mine Vrtlište and underground mine Haljinići
4. Zenica (brown coal) underground mines: Stara jama, Raspotočje and Stranjani
5. Breza (brown coal) underground mines: Sretno and Kamenice
6. Bila (brown coal) underground mine and surface mine Grahovčići
7. Kreka (lignite) surface mines Šikulje and Dubrave; underground mines Mramor and Bukinje
8. Livno (lignite) Tušnica surface mine
9. Gračanica, G.Vakuf/Uskoplje (lignite): Dimnjače surface mine

POTENTIAL COAL MINES

1. Surface mine Kongora to fuel TPP Duvno
2. Surface mine Kotezi to fuel TPP Bugojno
3. Surface mine Kamengrad (brown coal) Sanski Most

EXISTING COAL MINES IN RS

1. Ugljevik (brown coal) surface mines Bogutovo Selo and Ugljevik - East
2. TPP Ugljevik - Gacko (lignite) surface mines Gračanica and Gacko
3. TPP Gacko - Stanari (lignite) surface mine Raškovac -TPP Stanari

POTENTIAL COAL MINE

- Miljevina (brown coal) surface and underground mine

Reviews of geological coal reserves in BiH are shown in following table:

COAL	RESERVES				
	Balance	Out of balance	Potential	Total geological	Mineable
Total Lignite	1 437 635	412 103	1 386 653	3 236 391	1 004 593
Total Brown Coal	1 181 491	214 991	1 124 320	2 526 802	825 512
TOTAL	2 625 126	627 094	2 510 983	5 763 193	1 829 805

OIL & NATURAL GAS

Bosnia and Herzegovina is predominantly dependent on import of the liquid fuel and natural gas. A total of about 150 million USD were invested in oil and gas exploration, and the results indicated that both areas were rather perspective in terms of oil and gas prospecting. The oil and gas exploration results in Bosnia and Herzegovina justify further explorations and indicate that there are realistic possibilities of finding commercially viable deposits.

OIL

Bosnia and Herzegovina oil industry encompasses imports and refining of imported crude oil and production of petroleum products.

The BiH oil sector developed significant production capacities, comprising two refineries based on the most up-to-date world technologies, but presently only partly employed, including: - Refinery Brod, which capacity is 4 million t/year, processes imported crude oil into various products (motor fuels, liquid petroleum gas, bitumen, etc) - Refinery Modriča, which produces motor oils and various special purpose technical oils for the industry and other commercial purposes.



NATURAL GAS

Within Bosnia and Herzegovina energy sector the gas subsector is the least developed and the development of the gas sector in Bosnia and Herzegovina is unquestionable in terms of strategy.

Currently, the gas is procured/imported over only one pipeline, with the length of 191 km and the projected annual capacities of 1 billion m³. The demand projections until 2020 amount from 1.5 to 3 billion m³ of gas, foreseeing serious gas sector reform and development, which comprises:

- Construction of an alternative supply route
- Distribution network development
- Construction of the underground storages
- Diversification of the gas supply sources, etc.

The option of substituting the imported natural gas with the gas produced by coal gasification is under consideration too.

POWER GENERATION

Electricity is predominantly produced in hydro and thermal power plants. Currently, the production facilities, with total installed capacities of 4000 MW, exceed the domestic demands and the electricity is exported. In 2018, in Bosnia and Herzegovina, production of electricity amounted 17,873 GWh, (18,0% more than in year 2017), because of exceptional favorable hydrological situation and production growth in Hydro Power Plants of 6 300 GWh. Thermal Power Plants produced 10.954 GWh. Generation from Renewable Energy Sources (wind, small hydro and solar power plants) recorded amount of 602 GWh.

NEW POWER GENERATION PROJECTS DEVELOPMENT

Intending to harness the substantial and diversified energy resource base in Bosnia and Herzegovina, all relevant stake-holders in Bosnia and Herzegovina are adopted development and investment programs for construction of new generation plants, entirely respecting recommendation from EU Directives 2003/54 and 2009/28.

Significant investments in new power system facilities and expansion of power generation capacities are foreseen by these programs, in order to meet growing electricity supply deficit within regional and larger European markets.

Investment programs encompass a number of the development projects, based on coal, hydro and renewable energy sources, including both expansion of existing and construction of new power generation capacities.



LARGE THERMAL POWER GENERATION PROJECTS

There are a total of five new coal-fired thermal power generation projects, with potential electricity production capacity of approximately 2000 MW.

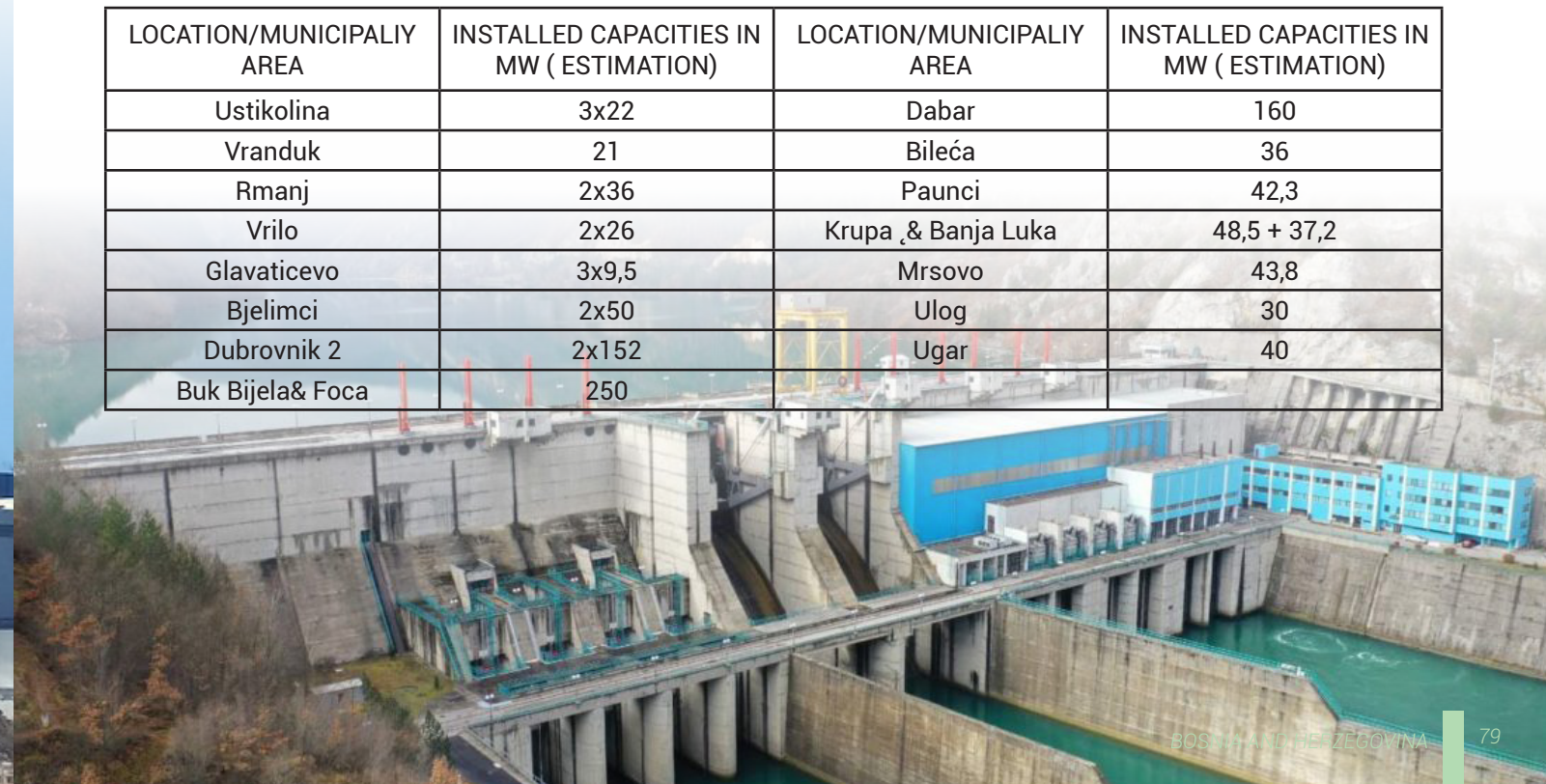
Coalmine/ Power plant	Installed Capacities in MW
Bugojno - Coalmine/ Power plant	300
Ugljevik 3 - Coalmine/ Power plant	2x300
Gacko 2 - Coalmine/ Power plant	350
Tuzla - G7	450
Kakanj - G8	300



LARGE AND SMALL HYDROPOWER PROJECTS

Development programs identified 15 potential new large and small hydropower projects, and 4 rehabilitation and expansion projects, with potential electricity production capacity of approximately over 2000 MW in total. Rehabilitation and expansion projects are foreseen in hydro-power plants Jablanica, Rama, Jajce and Čapljina.

LOCATION/MUNICIPALITY AREA	INSTALLED CAPACITIES IN MW (ESTIMATION)	LOCATION/MUNICIPALITY AREA	INSTALLED CAPACITIES IN MW (ESTIMATION)
Ustikolina	3x22	Dabar	160
Vranduk	21	Bileća	36
Rmanj	2x36	Paunci	42,3
Vrilo	2x26	Krupa & Banja Luka	48,5 + 37,2
Glavatičevo	3x9,5	Mrsovo	43,8
Bjelimci	2x50	Ulog	30
Dubrovnik 2	2x152	Ugar	40
Buk Bijela& Foca	250		

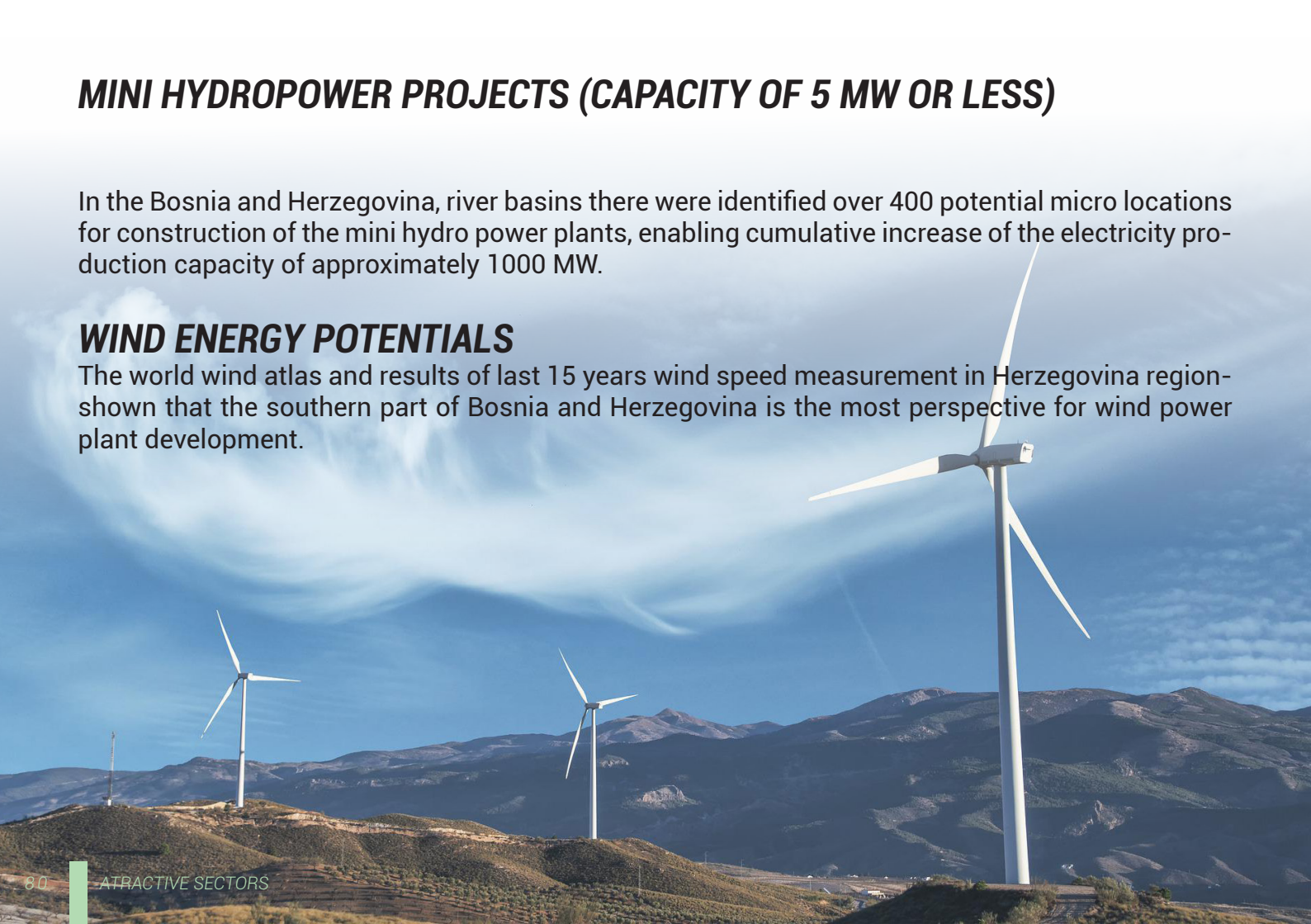


MINI HYDROPOWER PROJECTS (CAPACITY OF 5 MW OR LESS)

In the Bosnia and Herzegovina, river basins there were identified over 400 potential micro locations for construction of the mini hydro power plants, enabling cumulative increase of the electricity production capacity of approximately 1000 MW.

WIND ENERGY POTENTIALS

The world wind atlas and results of last 15 years wind speed measurement in Herzegovina region- shown that the southern part of Bosnia and Herzegovina is the most perspective for wind power plant development.



Average annual wind speed 50 m a.g.l. for the period 1997-2006 as a result of global weather model
Favorable locations for wind power plant construction, are shown at the table below:

LOCATION	POWER (MW)	LOCATION	POWER (MW)
Mostar		Duvno	
Velika Vljajna	42	Ugrovaca	40
Jastreblinka	20	Duvanjsko polje	50-90
Raška Gora	20	Livno	
Krešića Gaj	20	Borova glava	30
Jasenjani	20-30	Cincar	30-40
Podveležje	160-180	Bihać	
Pločno	20	2 locations	40-60
Bahtijevica	30	Čvrstica mountain	
Stolac		Pločno	20
Hrgud	20	Čapljina	
Dabarsko polje	20	Hrasno	20-30
Kupres		Nevesinje	
Debelo brdo	20-30	Morine	150
Zlošelo	20-30	Kruševljani	20-30
Šuica	20-30	Grebak	20-30
Ravanska vrata	20-30	Berkovići	
Filipovića polje	20	Gorna trusina	20
Glamoč	20-30	Trebinje	
Bosansko Grahovo		Popovo polje	50-60
Medeno polje	20-30	Bjelašnica mountain	20-50

The estimated total wind power potential at 18 selected locations is 1030 - 1180 MW with electricity production of 2.4 TWh/year. Average utilization factor of 30% represents the top level of productivity, even in European terms.

However, the total wind potential in B&H is probably much higher, in the order of 2000 MW.

This estimate results from the analyses of available space, but doesn't take into account possible limitations (like grid integration possibilities, environmental protection, etc.). The connection capacity of wind farms to the transmission grid, of 350 MW is distributed between two entities in the ratio of the amount of 230 MW for Federation and 120 MW for Republic of Srpska.

Accordingly, B&H Transmission Company issued approval in principle for wind farms:

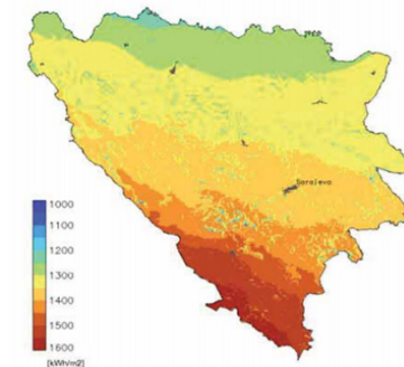
1. Koncig d.o.o. Posušje - WF Debelo Brdo (54 MW)
2. Lager d.o.o. Posušje - WF Gradina (26 MW)
3. HB Wind d.o.o. Livno - WF Orlovača (42 MW)
4. EOL Prvi d.o.o. - WF Trusina (51 MW)

SOLAR ENERGY POTENTIALS

B&H resources of solar radiation energy is above the European average with very favorable seasonal schedule, and possibility for its effective and long-term use. The theoretical potential of solar energy amounts about 74.65 PWh. It can be said that B&H is one of the most favourable locations in Europe, where solar radiation is concerned. The solar irradiation values vary accordingly with about 1,240 kWh/m² in the north to 1,600 kWh/m² in the south where the number of sunny days can reach 270 days per year with a solar thermal potential of approximately 1,900 TWh. Irradiation map in Bosnia and Herzegovina is the main indicator for the selection of locations for solar power plants. Potential locations are identified in the region of Herzegovina and Western Bosnia, with around 10 500 ha of available surfaces. Potential installed capacity for photovoltaic power plants is 4010 MW that is 10% more than the total installed capacity in the existing power plants in B&H. Capacity of transmission network for integration of PV power plant in 2020, amounts 565 MW.

ALREADY CONSTRUCTED PV POWER PLANTS

196 solar power plants
(148 in Federation BiH and 48 in Republic of Srpska)
produced in 2018 20,65 GWh.



Average Annual Sum of Horizontal Plane Irradiation (kWh/m²)

INVESTMENT PLAN PROJECTION

Basic structure of economic and financial analysis of investment projects, in preparation of long term development of the energy sector of B&H from 2016 to 2020 presumes creation of an information the basis of which is, inter alia, made of investments in construction of new and rehabilitation of the existing plants and installations of the energy sector. A review of total investments by Energy sector within the framework of the BiH energy sector development until 2020 is shown at following table:

ENERGY SECTOR INVESTMENT IN THE PERIOD 2016 - 2020	
Subsectors	Investment / Million €
Power Sector	1044
EP BIH	424
EP HZHB	155
EP RS	396
BiH Transmission Company	78
NOS BIH	0
Coal Mines	177
Federation BiH	85
Republic of Srpska	92
Gas Sector	13
Gas Transmission Systems	0
Underground storage	0
Gas distribution systems	13
Oil Sector	0
Modernization & Construction	0
Storage Facilities	0
District Heating Sector	167
TOTAL	1401

Source: B&H Energy Sector Study - World Bank

LEGAL FRAMEWORK

Legal framework for power sector in Bosnia and Herzegovina is defined by:

State level:

- Law on transmission, regulator and system operator of electricity in B&H
- Law on establishment Transmission Company in B&H
- Law on establishment Independent System Operator in B&H
- Law on Transmission, Regulator and System Operator in B&H

Entity level:

- Law on electricity in the Federation B&H
- Law on electricity in the Republic of Srpska
- Energy Law
- Law on Renewable Energy Sources and Cogeneration in Federation B&H
- Law on Renewable Energy Sources and Cogeneration in RS

EUROPEAN ENERGY COMMUNITY

B&H is a member of the Energy Charter Conference and signatory of two Athens Memorandums of Understanding on the Regional Energy Market in South East Europe and its integration into the European Community Internal Energy market.

ENERGY RELATED INTERNATIONAL OBLIGATIONS

- Bosnia and Herzegovina ratified the following Agreements, Protocols and Conventions:
- Agreement on the Energy Charter Treaty (ECT) and the Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA), which main issue areas include investments; trade, transit; and energy efficiency
- International Energy Charter
- UN Framework Conventions on Climate Changes
- Convention on Cross border Traffic Control of dangerous waste and its disposal
- Convention on Adriatic Sea Pollution Protection
- Kyoto Protocol
- Agreement on Energy Community Establishment

EU DOCUMENTS RELEVANT FOR POWER SECTOR POLICY OF B&H

The Energy Community Acquis follows the development of the EU legal framework and at present it includes its key energy legislation in the fields of electricity, gas, environment, competition, renewable energy sources, energy efficiency, oil and statistics. In addition to the EU Acquis, the Ministerial Council adopted several independent measures pertaining to dispute resolution, establishment of the "8th Region" aimed at facilitation of cross-border electricity trade and measures for coordination of security of supply.

The EU documents relevant for the energy policy of BIH include the following:

- White Paper on preparation of Central and East European associate states for integration in to internal market
- Directive 2009/72/EC concerning common rules for the internal market in electricity
- Directive 2009/73/EC concerning common rules for the internal natural gas market
- Regulation 714/2009/EC on conditions for access to the network for cross - border exchanges in electricity, - Regulation 715/2009/EC, on conditions for access to the natural gas transmission network
- Directive 2004/67/EC concerning measures to safeguard the security of natural gas supply
- Directive 2005/89/EC concerning measures to safeguard security of electricity supply and infrastructure investments
- Directive 2009/28/EC on the promotion of the use of energy from renewable sources

EU legislation on energy efficiency includes:

- White Book on Energy Policy
- Green Book Towards a European Strategy for the Security of Energy Supply
- Directive 2010/30/EC on the indication by labeling and standard product information of the consumption of energy and other resources by energy - related products
- Regulation on Cross-border Trade in Electricity (1228/2003/EC),
- Directive 2010/31/EC on the energy performance of buildings
- Directive 2006/32/EC on Energy End-use Efficiency and Energy Services,
- Action Plan on Energy Efficiency: "Saving 20% by 2020".

EU legislation on renewable energy sources includes:

- White Book on Renewable Energy Sources,
- Communication on alternative fuels for road transportation and on a set of measures to promote the use of Bio-fuels,
- Directive 2009/28/EC on the promotion of the use of energy from renewable sources - Directive 2004/8/EC on Promotion of Cogeneration.

Third Legislative Package for an internal EU gas and electricity market was adopted with the implementation deadline set for January 1, 2015. Exceptionally, the implementation deadline for Article 11 of Directive 2009/72/EC shall be January 1, 2017.

■ USEFUL CONTACTS

Generation, Distribution and Supply of Electricity

- Public Company Elektroprivreda BiH - www.elektroprivreda.ba
- Public Company Elektroprivreda HZHB - www.ephzhb.ba
- Mixed Holding Elektroprivreda Republike Srpske - www.ers.ba

Laws and Regulations - Entity Ministries

- Federal Ministry of Energy, Mining and Industry - www.fmeri.gov.ba
- Ministry of Industry, Energy and Mining of republic of Srpska - www.vladars.net

Transmission of Electricity and International Trade

- State Electricity Regulatory Commission-DERK - www.derk.ba

Licensing, Tariffs and Technical Conditions

- Entities Regulatory Commissions FERK - www.ferk.ba & RERS - www.rers.ba

Transmission and Market Development

- Electricity Transmission Company Elektroprenos/Elektroprijenos BiH - www.elprenosbih.ba

Incentive Rights and Obligatory Purchase Agreement

- Operator for RES and EC in FBiH - www.operatoroieiek.ba
- Operator for RES and EC in RS - www.ers.ba

MINING AND METAL PROCESSING SECTOR IN BOSNIA AND HERZEGOVINA

REASONS TO INVEST

Metal production sector in Bosnia and Herzegovina is one of the most important industrial sectors in the country with the tradition longer than a century. Metal sector is particularly export oriented sector with the total export share of about 35 - 39 % of the total revenues*.

B&H metal processing has traditionally been one of the strongest bh sectors by offering a strong human and resources base as well as a long tradition enabling sustainable development of various value-added businesses, export oriented in particular. First industrial capacities of the metal sector developed from the craft workshop for maintenance of the coal mine equipment and salt.

B&H metal sector has permanent and robust production growth rate of over 10% within the past few years, being strongest exporter in B&H economy.

Metal industry is one of the most important industrial sectors of the whole region based upon the following data:

- Long tradition in the metal processing industry
- Developed advantages at the international market
- Abundance of production facilities and industrial zones
- Skilled and affordable labor force
- Available production capacities
- Export oriented sector (app. 39% of the total export)
- No restrictions for foreign partnership with domestic companies
- Industrial average price, without VAT was 6.61€ cent/kWh (IC group buyers), metal processing sector in Bosnia and Herzegovina is strongly export oriented, exporting in average 90% of the production to the thirty countries all over the world.
- Natural recourses /low cost sourcing of input / low cost of production,
- Qualified, trained, motivated and at a price competitive labor force,
- Available infrastructure and inputs,
- Good export opportunities including geographic position and incentives,
- Sector supported universities, research and development institutions and design and engineering companies.

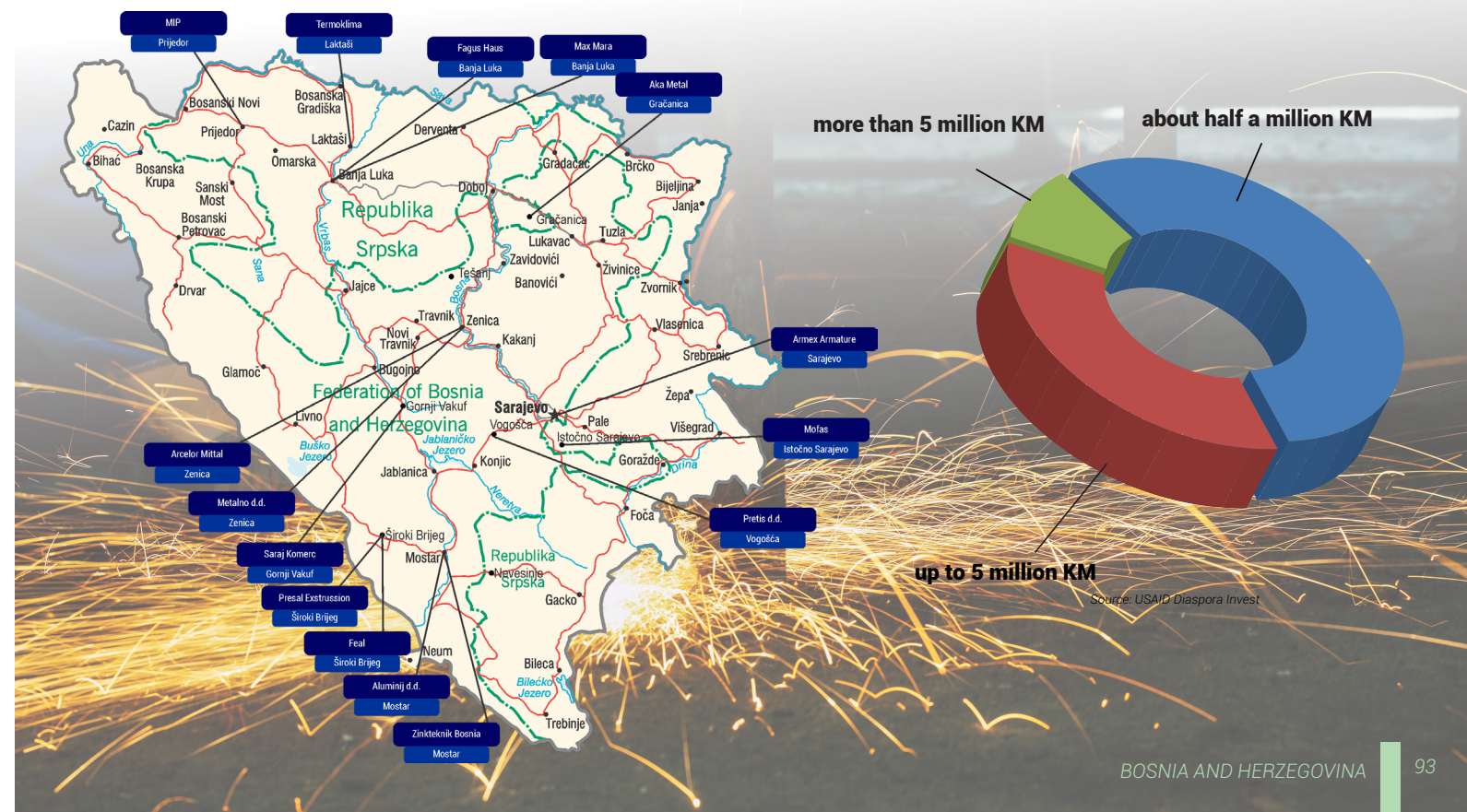
Tradition of the Sector

The metal sector in Bosnia and Herzegovina has a long history, great potential and competitive advantages due to the existing stocks of raw materials and competitive prices as well as a long tradition that enables sustainable development of various activities. The processing industry is quite diverse and includes the production of base metals - iron, steel and alloys, powder metallurgy, metal processing and coating as well as general engineering. The focus of this analysis is on the production of the finished metal products, except machinery and equipment. The key obstacles in this sector included the inability to expand to a new market base (new buyers), high costs of obtaining certifications and implementing standards required by the EU, and the lack of skilled workforce. The sectors with high export potential within Metal Processing industry were automotive sector, cable industry, and metal processing of black and aluminum metals orientated towards EU markets. To expand to new market base, it was assessed that companies needed to attend trade shows and connect with buyers through trade missions and business-to-business meetings. Furthermore, to reduce the costs of fulfilling EU standards, export recognition status was required. To improve workforce development, adult practical training and adjustment of formal curricula to meet current and future industry needs, were identified as essential.

SUCCESSFUL COMPANIES

According to the data of LRC BIS – Business Intelligence System, potential investors in the metal processing sector should be aware of the following company numbers and increase percentages. In 2016. total number of registered metal processing companies was 822, while 2019. The number of the companies has raised up to app.1200 what is significant increase for the country as Bosnia and Herzegovina is.

It has been noted that 56,3% of the companies generates revenue about half a million KM (250 000 Euro), 33.3% of the companies up to 5 million KM (2,5 Million Euro) and about 10.4% more than 5 million KM (2,5 Million Euro).



Furthermore, few successful stories from foreign investors may be a positive sign for new investment activities.

Mann Hummel BA Tesanj (investment from Germany)

MANN+HUMMEL BA started operating in 1974 on the basis of a licensed contract with MANN+HUMMEL Germany. Until 2005, the company worked under the name "UNICO Filter", after which she joined the "MANN+HUMMEL" group the same year. The production and sales range contains filters and elements for air, oil and fuel filtering for cars, trucks, buses, agricultural and construction machinery. Products are marketed under two brands, MANN-FILTER and WIX Filters.

Clients/supplier of: Volkswagen, Scania, Iveco, Deutz, HATZ

Number of employees in BiH: 630

Testimonial: Mr.Mahmut Galijasevic, General Manager, Mann Hummel BA Tesanj

Veritas Automotive d.o.o. Sarajevo (Germany)

Veritas Automotive, based in Sarajevo, was established in 2011 as a member of the PoppeVeritas Group, which has existed since 1849 and is one of the global leaders in the rubber, plastics and metal sector for the automotive industry. The headquarters of the PoppeVeritas concern is in Germany, with 14 production sites around the world with about 5,000 employees and a turnover of approximately 630 million euros. Their customers, leading manufacturers of cars Daimler, VW, Audi, GM, BMW, Ford and others, have recognized the quality of products and are their best reference.

What is particularly positive is the fact that parts produced in Bosnia and Herzegovina go to Germany's car production lines where they are directly incorporated into new cars. Their production facilities are equipped with state-of-the-art technical equipment, they work in a team of educated and highly skilled professionals, who upgrade their knowledge on a daily basis, but also transfer them to new members of their team

Clients/supplier of: Volkswagen Konzern, Daimler, General Motors BMW Group, Ford Motor Company, Opel, Webato, Magna

Number of employees in BiH: 350

Testimonial: Mr.Mahmut Galijasevic, General Manager, Mann Hummel BA Tesanj

Prevent CEE d.o.o. (Germany)

Prevent Group in Bosnia and Herzegovina is a member of a global company that employs over 13,000 employees in 36 locations worldwide. Prevent in Bosnia and Herzegovina was established in 1999 and is today the leading exporter and employer. When it appeared on the market of Bosnia and Herzegovina, Prevent employed 50 workers, but from the following year continuously expanded its production capacities, opened new jobs and increased the export of a wide product range to the world markets. Today Prevent operates at 16 locations in B&H and employs 6,500 employees

The data confirming Prevent's motto "where entrepreneurial enthusiasm encounters professionalism in construction" suggests that Prevent's upholstery is found in 15% of cars in Europe. In addition to the automotive industry, Prevent is significantly present in the metal segment with capacity of 40,000 tons per year, as well as segments of production of plastic components for the automotive industry. Prevent is a recognizable name in the segments of fashion clothing, furniture, protective equipment, footwear and nautics, and is a partner of the world's leading brands in these areas.

Clients/supplier of: Ford, Opel, BMW, Volkswagen, PSA, BRITAX, KNOR BREMSE

Number of employees in BiH: 6500

Testimonial: Mr. Almir Jazvin, Managing Director, Prevent CEE d.o.o.

Jajce Alloy Wheels (Germany)

Jajce Alloy Wheels is a manufacturer of aluminum wheels and a free market. In the production program, the cross sections of 10 to 22 inches are available for different types of cars. Jajce Alloy Wheels produces wheels by the design of Brock Car Fashion, as well as at the request of other customers who have their own design tools.

The history of the factory in Jajce has its roots since the early eighties when the then giant Energoinvest from Sarajevo and Bauxite Mines Jajce built a foundry facility. In the mid-1980s, the foundry began to work, and then the technology of low-pressure casting of aluminum was adopted. The factory had the so-called. "golden age" at a time when "Red Flag" Kragujevac exported cars to the United States. The then production record of the foundry was 107,000 wheels of an average diameter of 13 cols and a mass of 7.5 kg. The owner of Brock Group, Mr. Hans Hubert Brock and entrepreneur Miroslav Leko, who returns home after twenty years of work in Germany, decided to start production of aluminum alloy wheels. Thus, in the fifth month of 1998, the company Jajce Alloy Wheels d.o.o. After the reconstruction of facilities from war victims and the purchase of new machines, the production was launched on February 22, 1999.

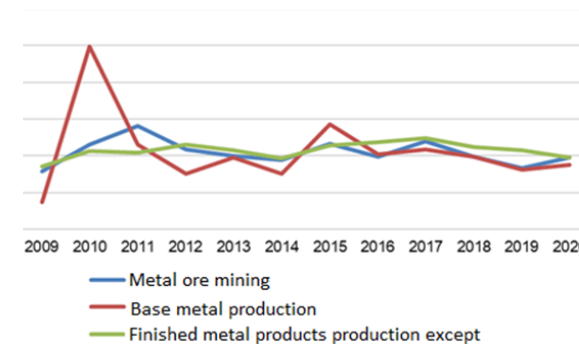
Clients/supplier of: Brock Alloy Wheels GmbH, Aluminij Mostar d.d

Number of employees in BiH: 210

Indicators per years

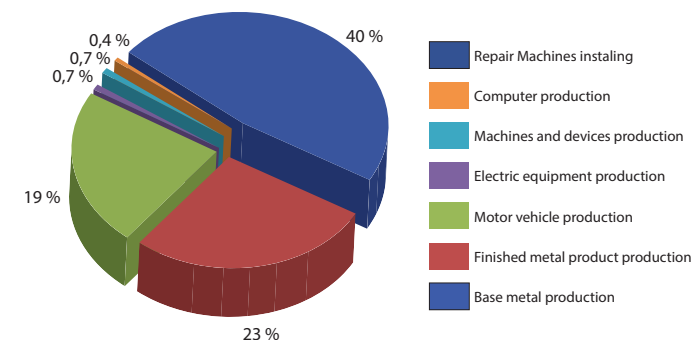
Indicators in MS	2010	2012	2014	2016	2017	2018	2019	2020	2021
GDP Share	3.11%	3.20%	2.99%	3.59%	4.10%	4.20%	4.03%	4.02%	*
Export Share	37.6%	36.4%	34.2%	33.4%	34.3%	36.3%	37.6%	36.1%	39.2%
No. of companies	1,119*	1,176	1,111	1,114	1,110	1,163	1,190	1,212	*

GDP INDEKS / nominal index for metal ores mining and basic activities of the metal industry



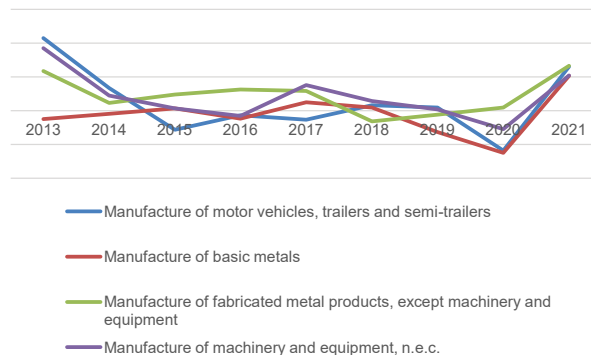
Source: Agency for Statistics

FDI Share in metal and electro industry – 2020/ Investment activities within the total foreign investments in the metal sector December 2020 - in percentages:



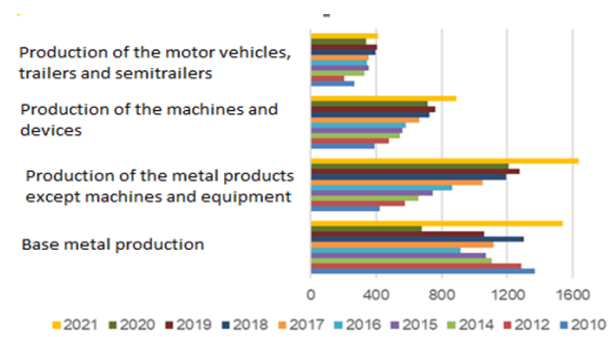
Source CBBIH, FDI balance

**Industrial production changes
of the basic activities 2021 last update**



Source: Statistics agency, industrial production index volume

**Production of the motor vehicles and base metals
for the period from 2010 – 2021**



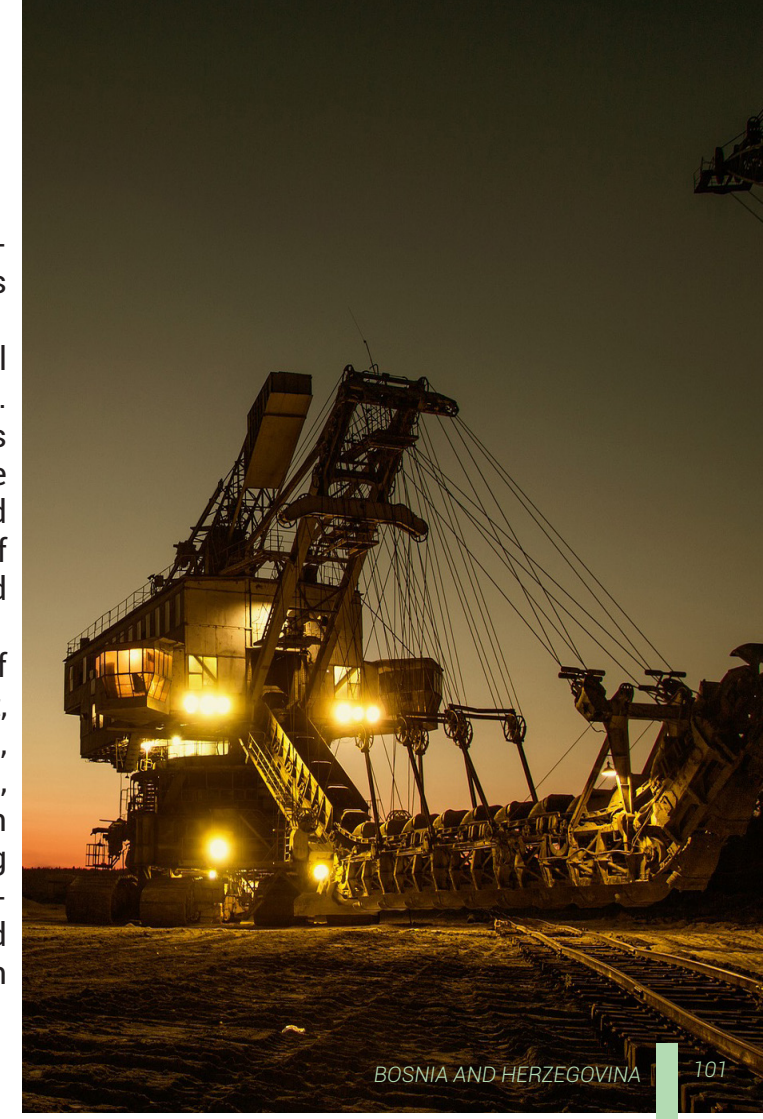
Source: Agency for Statistics

Metallurgy and Mining

Bosnia and Herzegovina is abundant in various natural mineral resources, particularly in large deposits of coal, bauxite, iron and limestone.

The main energy resource of B&H is coal (brown coal and lignite), with estimated reserves of 8 billion tons. Coal is one of the most important energy resources in Bosnia and Herzegovina. Major deposits of lignite and brown coal are sited all around B&H. Bosnia and Herzegovina has an estimated 653 million tons of iron ore deposits concentrated around Ljubija and Jablanica.

Bosnia and Herzegovina has significant deposits of non-metal and other industrial minerals, such as salt, limestone, asbestos, pyrophyllite, kaolin, gypsums, clays, (china clay), dolomite, silica sand, stones, gravel (aggregates), sand, and other minerals. In order to benefit from those huge potentials mining sector requires substantial reforms and restructuring as well as modernization of all exploration and exploitation segments. It could be achieved through the introduction of new technologies.



It requires significant investments and opening an array of investment opportunities for both strategic partners and reliable investors.

Mining of metal ores, as a GDP share (gross value added - current prices) was 0.34% in 2016., 0,39% in 2017., 0,36% in 2018., up to 0,28% in 2019. Over the last few years share of the mining has increased in 0,24% when it comes to GDP structure. Total share of the sector is significant giving 9,14% of the total increase in 2019. Realized value of gross production in 2019 amounts to 5.4 billion KM (app. 2,7 billion EURO). Through 2020 numbers continuously grow.

Other important activities for the mentioned sector are:

Export share of iron and steel is 849 million KM, recording 390 million KM increase or 85% in 2021.

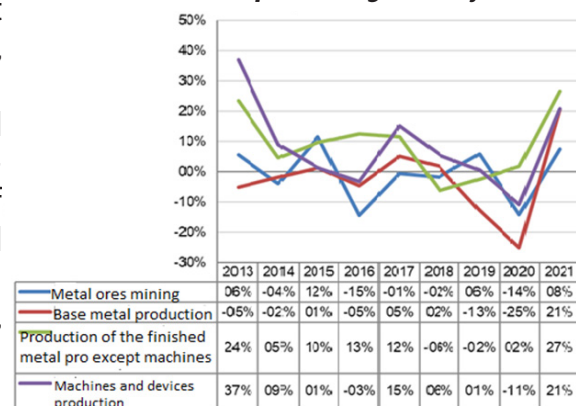
Main export markets of the mentioned ores are Serbia, Romania, Turkey, Croatia and Slovenia.

Import share of iron and steel in 2021 is 973 million KM, recording 418 million KM increase or 75%. Main import markets of the mentioned ores are Italy, Serbia, Slovenia, Austria and Hungary.

Negative export trend in non-ferrous metals was related to the closure of Aluminij d.d. Mostar in 2019, while pandemic problems in 2020 created another decrease of export. But end of 2020 brought new positive signs and production started all over again. In a coming period when the situation all over the world become better, increase is definitely expected.

One of the most successful foreign investments in BiH within the mining sector is the lead investment in the

Industrial production of the change rates for the activities of metal and mining ores and of the basic metal processing industry / 2021



Source: Agency for statistics B&H, industrial production volume index

Olovo Ore Mining (the activities of Geomot d.o.o. and investor MINECO from Great Britain), the interest of ArcelorMittal and Israel Investment Group has been announced for the remainder of the Ljubija Iron ore mine. New metal foundries have been published (more in the section of mining below). Within the framework of mining and based on previously issued concessions, the activities of foreign investors are expected as well as significant increase in that field of work.

Responsibilities for geology, metallurgy, metrology and industry:

- Federal ministry of energy, mining and industry
<http://www.fmeri.gov.ba/>
- Ministry of industry, energy and mining of Republic of Srpska
<http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mper/Pages/default.aspx>
- Government of Brčko District
<http://www.bdcentral.net/>

FDI IN METAL PROCESSING SECTOR

- GDP share in metal and electrical industry in 2020 was 4,02% almost the same as in 2019 (refers to the gross value added share within seven manufacturing activities).
- No restrictions for foreign partnership with domestic companies

According to the statistical data total income of metal production (auto components – subsector) and electro industry of FDI by December of 2020 was 619.17 million EURO, presenting 8,0% of total foreign investments (7,72 billion EURO).

The investments were made in sectors of:

- Fabricated metal products, except machines and equipment – 1,80%
- Motor vehicles, trailers and semitrailers - 1,60%
- Base metals - 3.20%.
- Production of computers and different devices - 0,30%
- Production of electric equipment – 0,60%
- Production of machines and devices – 0,50%

Investment activities within the total foreign investments in the metal sector –

Foreign investor's access in to a metal sector would have enabled flow of local company's access towards new technologies, knowhow system and administrative skills. That also includes domestic companies into a regional and global business networks as well as additional capital for investments in order to increase productivity and competitiveness of the companies.

■ INVESTMENT OPPORTUNITIES

Strong development and permanent production growth that characterized Bosnia and Herzegovina metal sector is considerably below its real potentials and expected performances.

The existing structure of the metal sector in Bosnia and Herzegovina, characterized with small companies provide huge chances for large integrator companies of the sector, to integrate existing primary producers and to start their operations.

In order to make more attractive investment climate within the particular sector it is important to make a following steps:

- Production growth with the higher added value
- Partnership with the international companies
- Technologies innovations
- Privatization and reconstruction opportunities
- Establishing of the quality certification institution (particularly important for the export oriented companies).

Domestic metal companies are already recognized as reliable partners by present foreign investors.

HUMAN RESOURCES

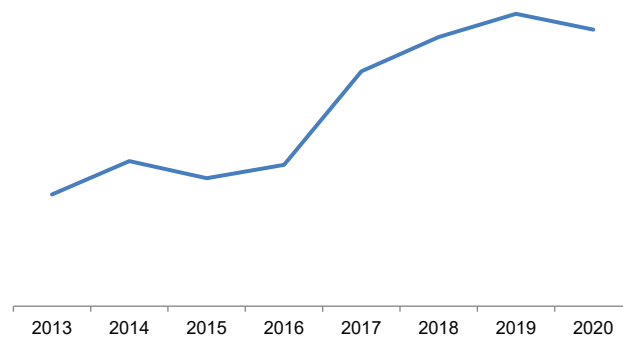
Employee number and salaries

Number of workers in the metal processing industry has marked a significant increase in about 1500 workers per year.

The average monthly gross salary of the workers in companies in the metal sector is 1,517 KM or 776.00 EUR meaning that workers in the companies engaged in the production of the finished metal products are paid an average of 9 KM or 5 EUR per hour.

Salary costs	BAM	EUR
Total salary costs	381,202,938	194,905,967
Average annual gross salary per employee	18,203	9,307
Average monthly gross earning per employee	1,517	776
Average daily wage per employee	72	37
Average hourly wage per employee	9	5
Monthly income per employee	18,011	9,209.00
The average hourly income per employee	42	21
Number of employees		app.33.000

Company number increase showed in graph / 2013 – 2020



Source: Agency for Statistics – Entity level

AUTOMOTIVE INDUSTRY IN BOSNIA AND HERZEGOVINA – 2022



■ REASONS TO INVEST

Auto motive industry of Bosnia and Herzegovina has a long tradition that lasts for more than one century. In a combination with the new factories founded by the foreign investors and traditional home owned companies that passed the tests of modern automotive components production it is evident that those brands are ready for New Age and modern technologies of the world wide car industry.

Segmentation of the motor vehicle parts and accessories market in Bosnia and Herzegovina

- Production of brakes and related components, wheel rims and related parts and accessories, parts and accessories for bodies of motor vehicles, silencers, exhaust pipes, related components and automotive seats
- Strategic location and geographic position
- 16 000 / 16 500 Employees in auto component manufacturing
- Counting 30 – 35 % of the total export
- Industrial average price, without VAT was 6.61€ cent/kWh (IC group buyers) , Auto components sector in Bosnia and Herzegovina is strongly export-oriented, exporting in average 90% of their production in 30 countries all around the world.
- Main export automotive markets (customers) of the automotive industry in 2020 were Germany, Luxembourg, Slovenia, Austria, Italy, etc.
- 27 Universities across the Country

Tradition of the sector

The automotive industry in B&H has a tradition for more than 80 years and the beginnings were related to the production of parts for Mercedes and then for Volkswagen. In B&H since 1970, the TAS Sarajevo factory, was established as a joint venture between Volkswagen and UNIS. The development of the B&H automotive industry has grown enormously since the beginning of cooperation with the world's diesel engine manufacturers, while the period 1970-1992 is considered the culmination of the development of the B&H automotive industry so far when domestic companies cooperate with large companies such as Mercedes-Benz, VW, SKF, MANN. Thanks to the companies that were leaders of economic development in those times, today we still enjoy the reputation of a country with huge potential for production in the automotive industry. In the recent decade, the automotive industry has experienced dynamic development and become strongly export-oriented. An average of 90% of production is exported, mostly to the EU countries. Owing to the process of final assembly of vehicles and the existing production of automotive parts, a strong and diverse value (supply) chain of automotive parts and supporting infrastructure has been established. The supporting infrastructure includes governmental institutions, education system, research and developing institutions. Significant potential is in the availability of specialized and professional workforce with experience in metallurgy, electrical and automotive engineering.



SUCCESSFUL COMPANIES

EMKA Bekto Gorazde (Germany)

EMKA BEKTO was founded 2005 in Goražde/Bosnia and taken over in 2018 by the EMKA Group from Velbert/ Germany. With a yearly output of 900 molds for zinc die casting and plastic injection molding EMKA BEKTO is one of the world's leading manufactures. Additionally, our experts produce mounted special products for widely known car makers like Audi, Ferrari, Mercedes, Jaguar, Porsche und VW.

The EMKA GROUP is the world leader for locking systems, hinges and sealing, which are used in cabinets and control cabinets for electronics and electrical engineering. The product range comprises 30,000 articles from in-house production.

Clients/supplier of: Audi, Porsche, Land Rover, Seat, Opel, BMW, Hella, Volkswagen

Number of employees in BiH: 300

Zinktechnik Bosnia d.o.o. (Sweedeen) – Nafija Čagalj

Zinktechnik is one of the leading companies in Europe in the zinc plating business with Bredaryd in Sweden and Mostar in B&H.

Their customers are in Europe and America and are primarily represented in the automotive industry, electronics, telecom /IT, as well as in construction and machinery. The high professional and technical level, as well as the continuous development of production, handling and materials, make them and their customers always We are heading forward. Zinktechnik Bosnia is a sister company from Zinktechnik AB in Sweden and is managed in full accordance with the guidelines that Zinktechnik manages when high technology, knowledge, automation, quality and environmental protection are concerned.

Clients/supplier of: Autoliv, Magna, Stabilus

Number of employees in BiH: 85

Core doo Sarajevo (Bosnia and Herzegovina) - Nihad Velagić

CORE Company was established in 2011 and until today it performs successfully in three business segments: development and construction, software and informatics and technical specification development. Core doo designs BMW 5 Series/E34 Cockpit.

From the very beginning the strategy of the company was to follow up the market trends, be innovative, have a competent and satisfied team of people, be professional and responsible towards the business partners but, above all, our main goal remains "to give form to ideas" which should have as a consequence the completely satisfied client. They opened office in Munich, Germany also.

Clients/supplier of: BMW, MMTEC, MAGNA, ALBA, WFT, EDAG, Draexlmaier, Faurecia

CROMEX d.o.o. Prijedor (Bosnia and Herzegovina) – Enes Pehlić

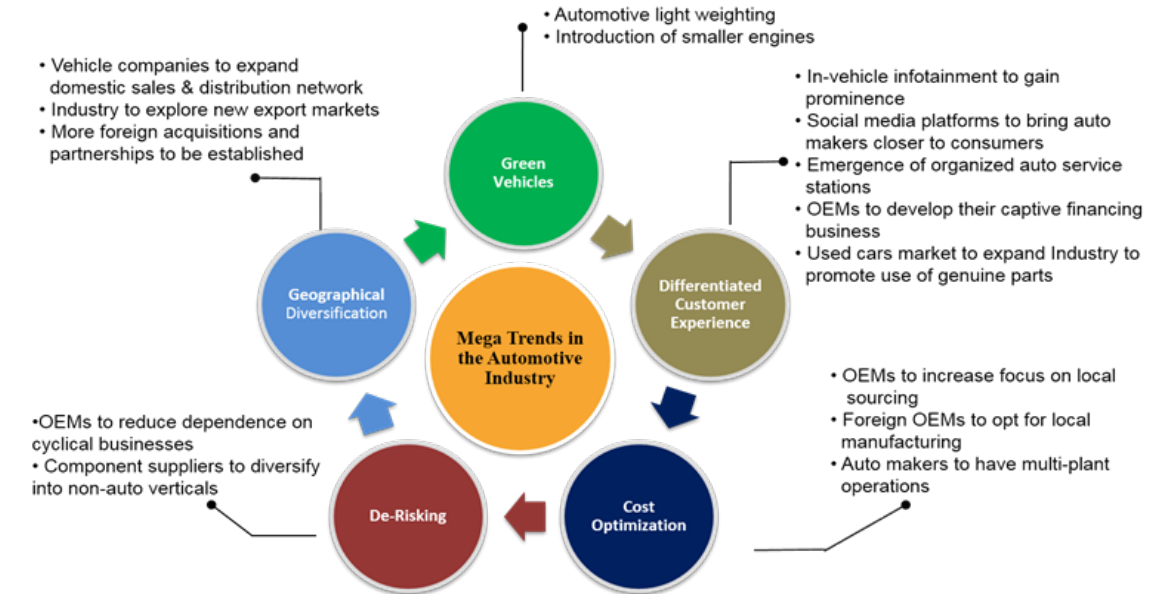
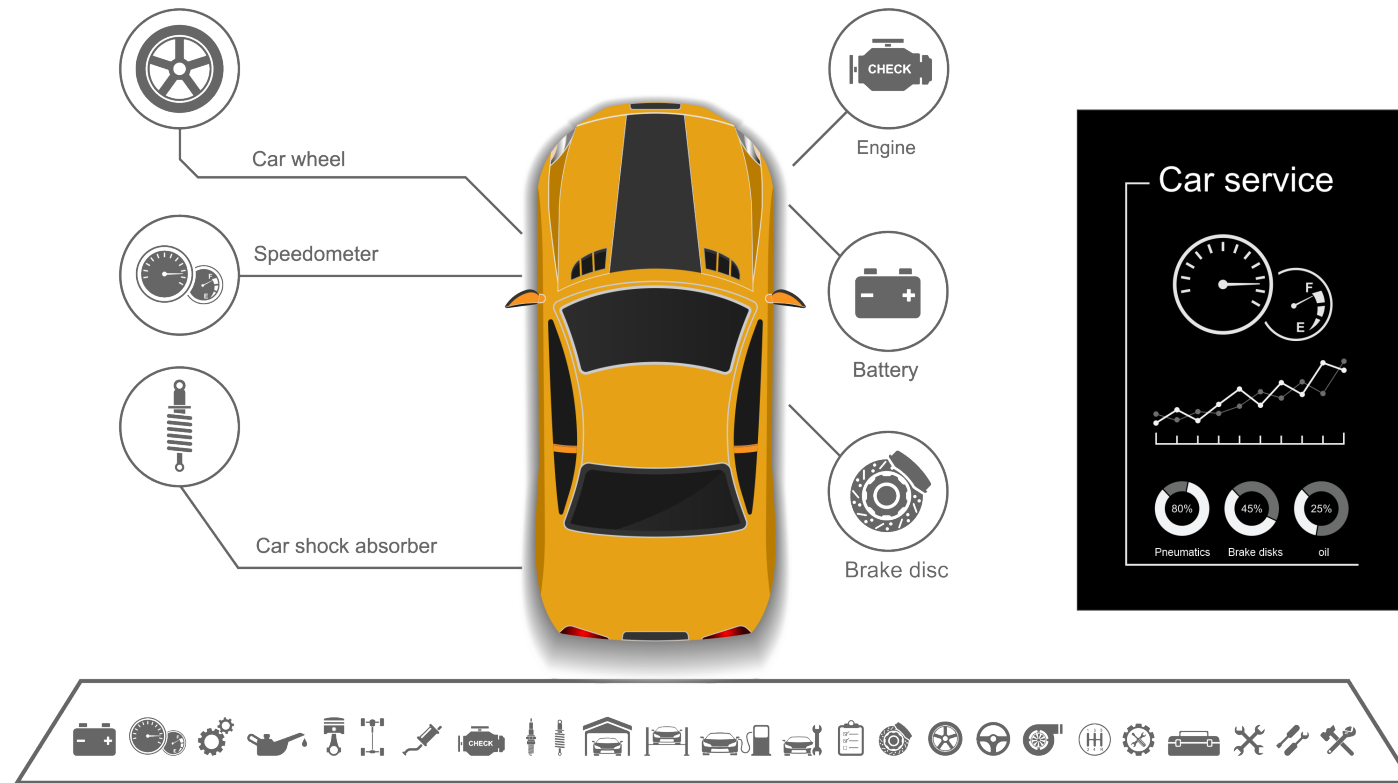
Cromex started in 2004. and their activities cover laser cutting, water jet cutting, metal sheets and pipes bending, 3D metal pipes bending, powder coating, CO2 and argon welding jobs, the planning, development, installation and validation of metal constructions, stainless steel railings and other stainless steel products.

Their production is completed with their business cooperators at their service, for the procedures of anodizing, nickel plating and galvanization.

Their management and the technical department consists of qualified professionals with several years of industrial experience, especially in the metal industry domain. Their CNC – machine operators, metal fitters, metal turners and welders are qualified staff members, with the required professional knowledge.

Cromex produces electric mopeds, public toilets made of inox, metal constructions, stainless steel elements etc.

Following graphs and pictures are giving the answers related to what are we doing and how do we follow market trends.



How Do Trains Help Make a Car?

From door frames to seat belts, auto manufacturers use hundreds of thousands of individual parts to build an automobile. Not only do freight railroads haul the raw materials used to manufacture auto parts, they also transport nearly 75% of America's new cars and light trucks. Whether it's petroleum products for plastics or the finished vehicle, your car's horsepower is made possible by the iron horses that ride America's rails.

Aluminum

This metal is critical for electrical wiring, head lamps, wheels, the transmission, engine parts and air conditioner condenser and pipes.

Steel

An average car contains 2,400 pounds of steel, which is used in car frames, door panels, support beams, exhaust pipes and mufflers.

Rubber

Like plastic, rubber is durable and flexible and is used to create engine mounts, seat belts, wiper blades and hose seals.

Fiberglass

Made from small thin strands of glass, fiberglass is fireproof and is found in front bumpers, doors, the roof, wheels and casings.

Plastic

Making up almost 50% of total parts in one car, the plastics used in cars are petroleum by-products (gas and oil) and are found in the dashboard, door handles, air vents and interior.

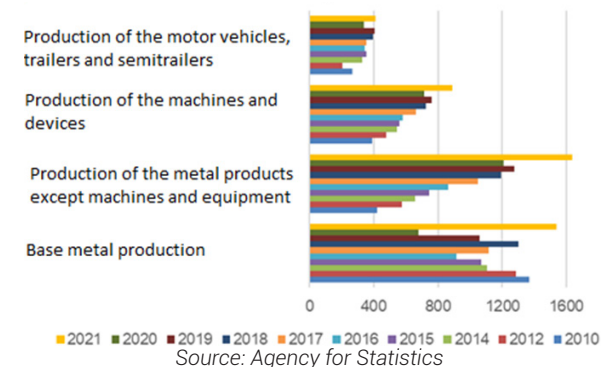
Sand

Used to create the glass for navigation screens, back-up cameras, mirrors and windshields.

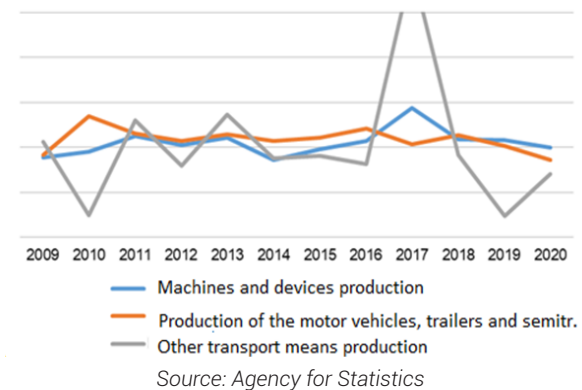
Copper

Mostly used in car wiring and electronic parts, copper is in the radio, charging points and starter.

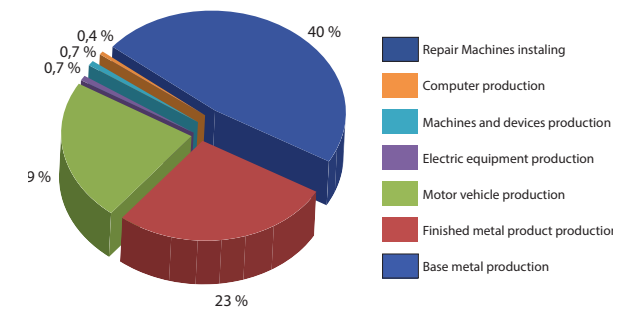
Production of the motor vehicles and base metals for the period from 2010 – 2021



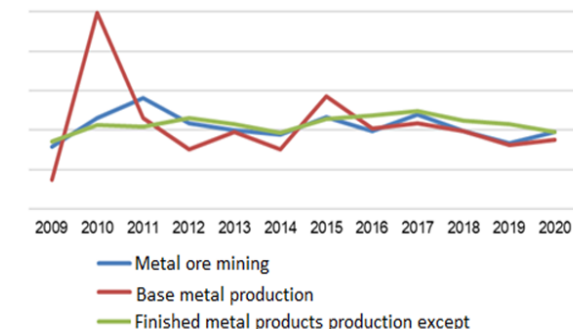
GDP Share for the production of the machines, devices, motor vehicles and other transport means



FDI Share in metal and electro industry – 2020



GDP/Base metal production



FDI IN AUTOMOTIVE SECTOR

Bright sample of the fast expansion and good innovation supported through the cooperation with the great European manufacturers where some of the contractual segments were awarded to bh strongest investors such as, Mann Hummel, Car Trim, Jajce Alloy Wheels, Emka, Bekto etc.

Company	Foreign investor / origin country	Foreign Investor
Emka and Emka Bekto d.o.o. Goražde	Germany	Emka Group
Cimos BiH Gradačac, Novi Travnik	Slovenia	CIMOS Group
Jajce Alloy Wheels d.o.o. Jajce	Luxembourg	Eubrowheels S.A.
Mann Hummel doo d.o.o. Tešanj	Germany	Mann+Hummel
FAD d.d Jelah	Slovenia/Germany/BiH	Prevent Group
Strolit d.o.o. Odžak	Slovenia	EM PK d.o.o. Podveza

The list of the foreign investment companies in to auto sector made by FIPA

AUTO COMPONENTS PRODUCTION

Companies in automotive sector are producers of a wide spectrum of parts and components, such as: engines and gears and their parts, high - quality metal precision parts, drive shafts, brake parts and systems, clutches, steering parts and systems, pumps, filters, automotive electric parts (signals, relays, electronic switches), textile and leather products, plastic injection parts, aluminum wheels and car batteries.

They also produce small parts such as springs, screws, hoses, and metal components, rubber or plastic.

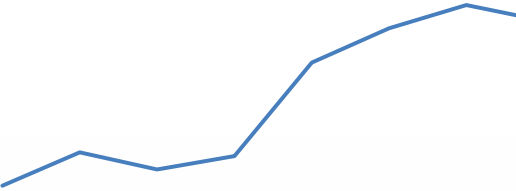
Thermoplastic processing also follows the trend of development so some companies are already recognized exporters.



HUMAN RESOURCES AND EDUCATION

Advantage of B&H is the high density of research and development institutes that are the base for effective cooperation in between the companies meeting their development needs. On the other hand, a rise in the number of employees was registered within all other MP sub-segments, except for the manufacture of Other Transport Equipment, which brightens the overall labor market framework for the MP industry in 2018. Education system and universities of mechanical and other related sciences exist and having proved successes in cooperation with the companies in metal and automotive sector in previous years. Especially the faculties of mechanical engineering co-operate closely with the local companies of the automotive supplier industry.

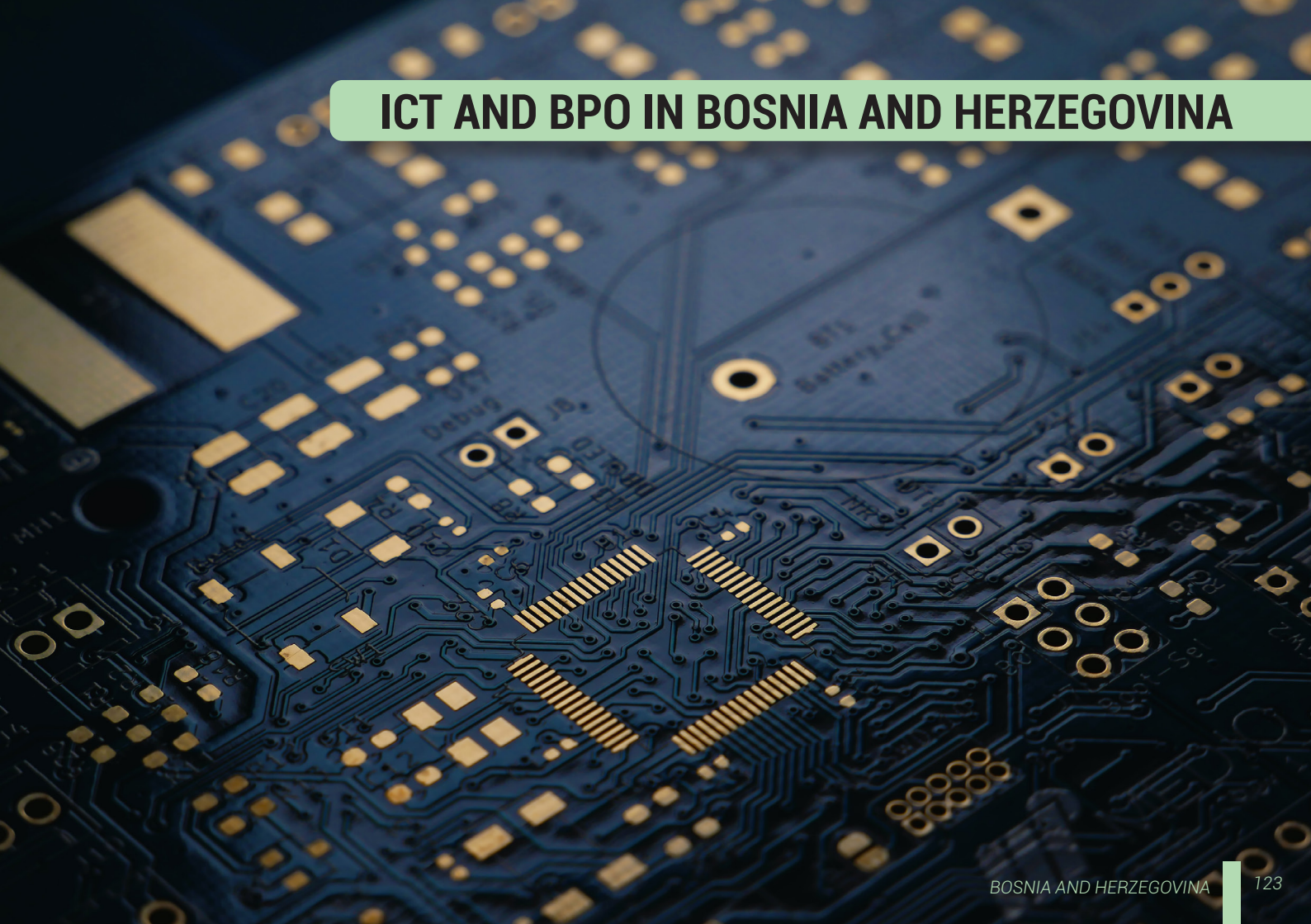
*Company number increase
showed in graph / 2013 – 2020*



Source: Agency for Statistics – Entity level



ICT AND BPO IN BOSNIA AND HERZEGOVINA



■ WHY INVEST IN BIH ICT AND BPO SECTOR

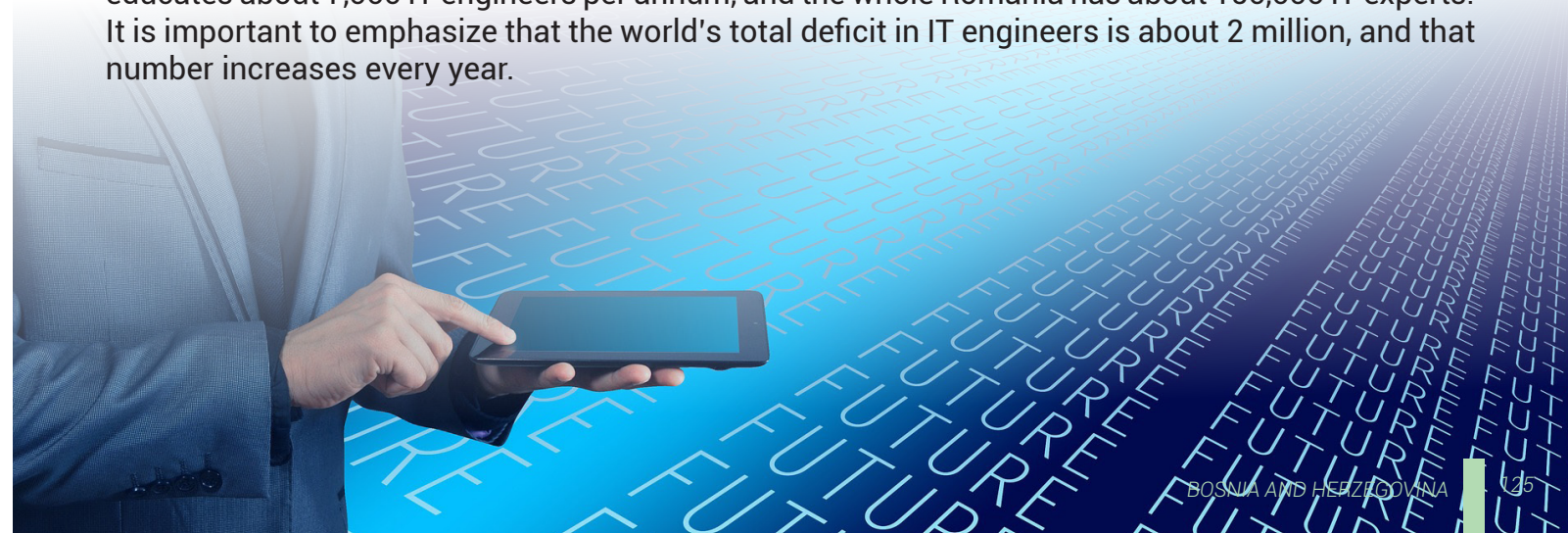
- ICT is an emerging sector in Bosnia and Herzegovina
- The continued availability of high-quality engineering and science graduates at Bosnia-Herzegovina colleges and abroad
- A competitive cost environment
- Investing in Bosnia and Herzegovina's ICT sector presents a doorway to Southeast Europe
- Bosnia-Herzegovina must be EU compatible
- Ambitious plans related to the overall development of BIH, requiring a large-scale development of ICT infrastructure and ICT sector as whole
- Availability of basic ICT infrastructure
- Availability of a number of small IT companies
- Cultural affinity

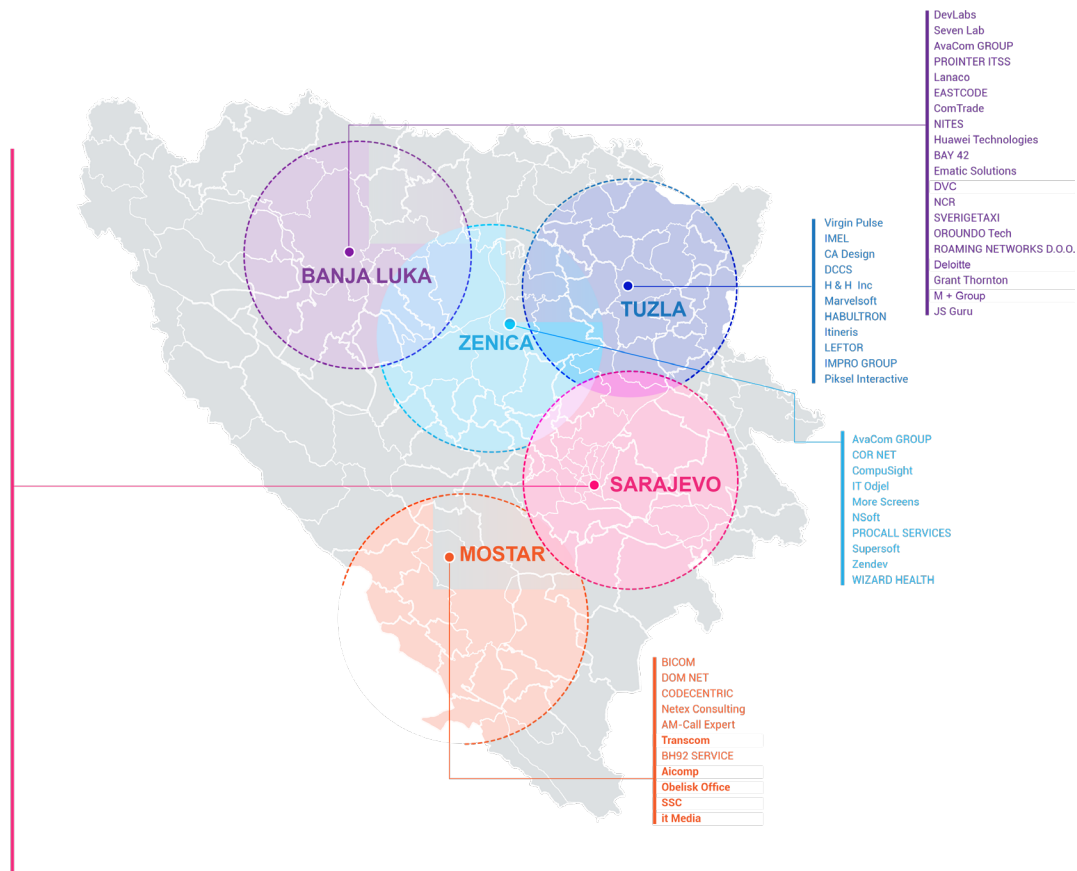
Bosnia and Herzegovina's ICT sector has started to flourish during the past few years and represents one of growth area in the economy of the country.

The data that in the past several years incomes of IT companies in B&H increased by approximately 25%, from year to year, speak in favor of the fact that IT industry is in expansion, with a trend of long-term continuous growth

According to analyses conducted by Bit Alliance at B&H level in 2017 and 2018, it is important to highlight that the average income per IT engineer amounts to about BAM 120,000, and there are presently about 4,000 of them in the labour market. Our companies belong to both groups of the companies for the development of IT solutions, both those who develop their own IT solutions and record a moderate trend of growth and those who perform IT services for foreign companies (outsourcing). This is currently one of the most represented segments of IT activities that opens an opportunity for rapid growth and employment of quality personnel with regard to insatiable needs of the world's markets.

It has been estimated that with educating 1,000 new IT engineers Bosnia and Herzegovina can possibly earn an income of about 120 million BAM per annum. For comparison purposes, in Timisoara, which is in terms of a number of inhabitants approximate to that of Sarajevo, educational system educates about 7,000 IT engineers per annum, and the whole Romania has about 150,000 IT experts. It is important to emphasize that the world's total deficit in IT engineers is about 2 million, and that number increases every year.





"We established this company two years ago with only three workers, and now we have 15 of them, so we managed to expand quickly... We work mainly with the Swedish market, and the network of clients is expanding every day... One advantage to working in Bosnia is the availability of support to help company expand and maximize the impact of investment. Now is the time to invest in Bosnia and Herzegovina, as there's enormous potential for growth."

Mr. Senad Santic, owner of the company ZenDev Mostar

System Verification Sarajevo (Sweden)

The Swedish System Verification established this company in Bosnia and Herzegovina in 2013. Today System Verification has offices in Malmö, Gothenburg, Stockholm, Copenhagen and Sarajevo. The aim of the company in Sarajevo is to offer the same quality of services within requirements and testing as currently on offer in Sweden, though at lower costs.

Hamdija Jusufagic, CEO of System Verification

"Our clients will not only be provided with highly efficient services for software requirements and testing, but also gain a supplier continuously on the hunt for new openings, where it can grow and improve. Opening up in Sarajevo is an example of this, because it entails cutting costs for the client while maintaining the high level of expertise"

Authority Partners (USA)

This year Authority Partners will celebrate 23 years on the global stage and 16 years of doing business in Bosnia and Herzegovina. Authority Partners was created out of a love for programming and the desire to provide young people in BiH with the opportunity to work on major projects for the most successful global companies.

Maja Karabeg, co-owner of Authority Partners.

"Our key to success is people and years of devoted work, because excellent people are not revealed, they are created. We are proud of the fact that we have definitely made a positive impact on the software development industry, as well as on society, in general,"

HUB 387 IN SARAJEVO <http://www.hub387.com/>

The HUB387 is information technology (IT) park whose main goal is to create an environment conducive to strengthening of local IT eco system, promoting culture of collaboration and shared knowledge. HUB 387 is revolutionizing the daily work routine by creating open community while increasing level of innovation and competitiveness among associated members.

HUB387's mission is to build a vibrant IT community, a space where aspiring IT companies and individuals will connect and collaborate; where interaction with peers will facilitate new ideas and solutions to challenges in our workplace.

HUB387 will organize and host IT industry events such as educational seminars, workshops, working lunches, hackathons, etc. Through these programs, HUB387 members will be able to enjoy educational benefits while connecting with other leaders and experts in IT industry and building their networks.

BUSINESS PROCESS OUTSOURCING INDUSTRY GROWTH

According to the analysis of Marisa Mejric, IT-BPO Expert, the early adopters initially earmarked Bosnia & Herzegovina for its ITO, with a healthy number of solely exported-oriented companies and daughter operations of North American and European counterparts establishing themselves. Soon after, customer management and other horizontal BPO positions became part of a continuing second-wave of growth buoyed by widespread conversational German and English skills, strong socio-cultural affinities, and the significant proportion of unemployed college and university graduates. The strong multilingual capabilities and transferable skills of the population have already been leveraged by several larger players (CCC, DDC, Teleperformance, Trizma) and a healthy number of small and medium-sized providers.

BPO AT A GLANCE

- 65+ specialist BPO/KPO providers (est 2019)
- 2.750+ employed (est 2019)
- 8 ABSL members present (2019)
- Hiring speed: 3 months to fill 50+ customers management or IT help desk positions

Source: Marisa Mejric, IT-BPO Expert



ECONOMIC BENEFITS FROM SOFTWARE INDUSTRY DEVELOPMENT IN BOSNIA AND HERZEGOVINA

According to the BIT Alliance (the leading association of software industry companies in BiH), their member-companies are exported oriented, recording 20 mill EUR worth of export only in 2015 and employing 700 staff members, mainly highly qualifies ones.

According to the preliminary analysis of BIT Alliance, the annual income per software engineer ranges between 40 000 and 60 000 EUR. For example, training of a new 1.000 software engineers BiH could generate, primary from export, more than 45 mill EUR per year.



Penetration of Internet users in BiH

Year	Number of Internet users
2006	950,000
2007	1,055,000
2008	1,307,585
2009	1,421,540
2010	2,000,000
2011	2,113,100
2012	2,174,250
2013	2,188,429
2014	2,648,176
2015	2,782,107
2016	2,909,236
2017	3,064,072
2018	3,195,294
2019	3,320,072
2020	3,325,294

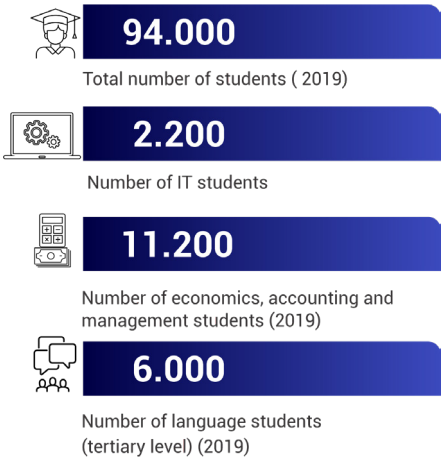
Source: www.rak.ba

HUMAN CAPITAL

Bosnia and Herzegovina possesses a growing labour force skilled in various aspects of ICT design, management, and applications. Young, educated and innovated workers from BiH are participating in international project and companies.

It is estimated that at present there are 6.000 programmers in Bosnia and Herzegovina. IT engineers from BiH, in terms of their knowledge, skills, experience and insight into modern trends, are frequently ahead of their colleagues in other European countries.

The value of software industry is reflected in the fact that 60-70% of its labour in BiH constitute young people up to the age of 35. According to the latest research of Bit Alliance, B&H is currently



facing a deficit of about 6,000 people in IT sector thus missing an opportunity to generate about 1.5 billion BAM on annual basis on environmentally clean jobs with excellent working conditions, which would result in reducing the unemployment rate and the youth outflow.

Without compromising quality, Bosnia and Herzegovina offers a competitively-priced skilled workforce. In Sarajevo (capital of Bosnia and Herzegovina), the monthly salary costs for a number of commonly-sought shared services centre positions are presented in the table below.

Key strengths



Highly qualified workforce: Overproduction of well-educated and qualified candidates continues in the fields of Information Technology, Economics and Legal.



Foreign language mastery: Fluent English speakers constitute the majority of the workforce; who use English daily with foreign clients/reporting to headquarters. Significant population of fluent German speakers; Dutch and Swedish are also prevalent.

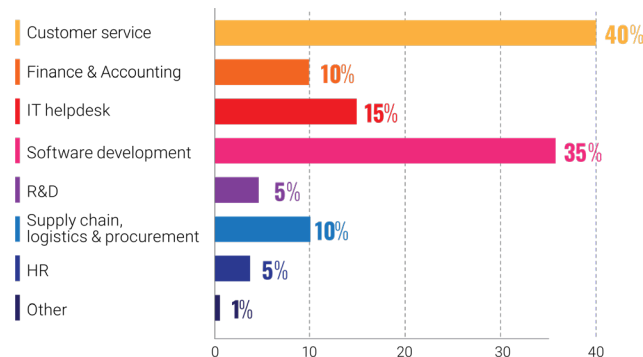


Great potential of junior profile candidates: This group is motivated to learn fast and be a part of interesting global projects and workspaces. The largest portion of unemployed is young people (57.5%) searching for jobs suitable to their qualification level and education background."

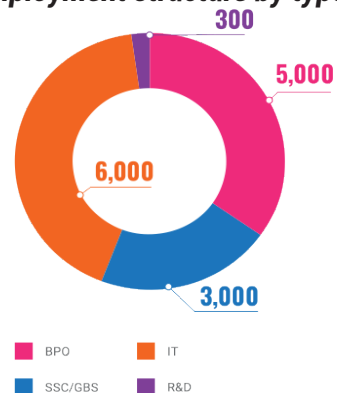


Cost-competitive: It's considerably cheaper to hire workers in BiH than in several other destinations, even - in many cases - as compared to "farshore" destinations like India or the Philippines.

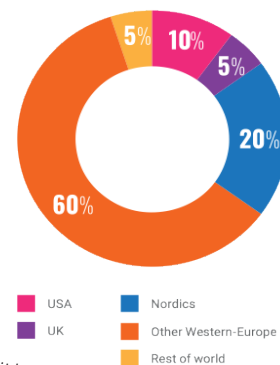
Types of services delivered



Employment structure by types of centres



Origin country; export- oriented BSCS



Source: ABSL BiH

MONTHLY GROSS SALARY COSTS (IN EUR)

	POSITION	LOWER	TYPICAL	UPPER
FINANCE & ACCOUNTING	JUNIOR ACCOUNTANT	425	550	950
	ACCOUNTANT	575	700	1225
	SENIOR ACCOUNTANT	675	850	1450
	TEAM LEADER	775	950	1900
HUMAN RESOURCES	JUNIOR PAYROLL SPECIALIST	625	700	750
	PAYROLL SPECIALIST	750	800	975
	SENIOR PAYROLL SPECIALIST	800	1000	1100
	JUNIOR RECRUITMENT SPECIALIST	625	725	775
	RECRUITMENT SPECIALIST	650	825	850
	SENIOR RECRUITMENT SPECIALIST	950	1075	1100
CUSTOMER MANAGEMENT	JUNIOR CUSTOMER SERVICE SPECIALIST	500	600	750
	CUSTOMER SERVICE SPECIALIST	600	800	900
	SENIOR CUSTOMER SERVICE SPECIALIST	750	950	1000
	TEAM LEADER	900	1050	1200
IT SUPPORT	IT TECHNICAL SUPPORT	475	775	1850
	SYSTEM ADMINISTRATOR	650	925	1300
	NETWORK ADMINISTRATOR	700	825	2100
SOFTWARE DEVELOPMENT	JUNIOR SOFTWARE DEVELOPER (JAVA)	950	1125	1200
	SOFTWARE DEVELOPER (JAVA)	1350	1750	2000
	SENIOR SOFTWARE DEVELOPER (JAVA)	2150	2500	2850

Source: Marisa Mejric, IT-BPO Expert, plata.ba, Industry Interviews

With high tertiary enrolment rates, the country is fortunate to possess great depth in its human capital, providing an optimal environment for BPO vendors looking to hire, retain, and replace career-oriented professionals. Notwithstanding the 150,000+ higher-educated English-speaking and 27,500+ German-speaking citizens under the age of fifty currently employed in the service industries, there exists a substantial number of similarly qualified and skilled workers presently outside of employment. Due to the low demand for labour, an estimated 140,000+ well-qualified English-speakers and 30,000+ German-speakers are registered as unemployed, approximately half of which can be classified as highly-active job-seekers. BPO/KPO vendors also stand to benefit from the healthy pipeline of English and German speakers emerging from the education system. An estimated 300,000+ people below the age of thirty are currently learning German. Talent in the region also comes at a lower cost than in neighbouring Central and Eastern Europe countries, without a loss in quality.

Indeed, many shared services centres in the Visegrad countries have been importing Bosnian talent for a number of years.

According to the Marisa Mejric, IT-BPO Expert, human capital potentials are:

- Estimated 140,000+ advanced English-speakers and 30,000+ advanced German- speakers presently un- or under-employed 300,000+ secondary school and university students taking German language classes; 60%+ growth in German language acquisition from 2010 baseline
- Very high youth unemployment rate (45.8%), including among university graduates with technical and business degrees; an average gap between education and first employment of around 8 months; 125,000+ seeking first-time employment
- High social proximity where youth share strong European values and emotional closeness to customer markets; significant minority of diaspora returnees
- Deep pools of un- and under-employed talent educated in business, finance and accountancy, law, marketing and technical professions such as architecture, design, and engineering



THE COST OF HIRING IN BIH

Baseline Gross in EUR	BANJA LUKA			MOSTAR			SARAJEVO			TUZLA			ZENICA		
	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED
 FINANCES															
GL Accountant	496 €	1299 €	808 €	501 €	1312 €	816 €	526 €	1378 €	857 €	451 €	1181 €	734 €	476 €	1247 €	775 €
AP Accountant	477 €	1105 €	712 €	482 €	1116 €	719 €	506 €	1172 €	755 €	434 €	1004 €	647 €	458 €	1060 €	683 €
AR Accountant	473 €	1117 €	715 €	478 €	1128 €	723 €	502 €	1184 €	759 €	430 €	1015 €	650 €	454 €	1072 €	687 €
Financial Analyst	645 €	1982 €	1182 €	652 €	2002 €	1194 €	685 €	2102 €	1254 €	587 €	1802 €	1075 €	619 €	1902 €	1135 €
Auditor	710 €	2047 €	1241 €	717 €	2068 €	1253 €	753 €	2171 €	1316 €	645 €	1861 €	1128 €	681 €	1965 €	1191 €
Finance Manager	1050 €	2153 €	1521 €	1060 €	2174 €	1537 €	1113 €	2392 €	1665 €	954 €	1957 €	1383 €	1007 €	2066 €	1460 €
 HUMAN RESOURCES															
Recruitment Specialist	569 €	1089 €	746 €	574 €	1100 €	753 €	603 €	1155 €	791 €	517 €	990 €	678 €	546 €	1045 €	716 €
Payroll Specialist	600 €	1353 €	879 €	606 €	1367 €	888 €	637 €	1435 €	932 €	546 €	1230 €	799 €	576 €	1298 €	843 €
HR Specialist	581 €	1345 €	867 €	587 €	1359 €	876 €	616 €	1427 €	919 €	528 €	1223 €	788 €	558 €	1291 €	832 €
HR Manager	885 €	2006 €	1374 €	894 €	2027 €	1387 €	939 €	2229 €	1505 €	805 €	1824 €	1249 €	850 €	1925 €	1318 €
 TECHNICAL SUPPORT															
Technical Support Agent	471 €	1013 €	668 €	476 €	1023 €	675 €	500 €	1074 €	708 €	428 €	921 €	607 €	452 €	972 €	641 €
Bilingual Technical Support Agent	745 €	1570 €	1042 €	753 €	1586 €	1053 €	828 €	1665 €	1122 €	678 €	1427 €	947 €	715 €	1507 €	1000 €
System Administrator	573 €	1287 €	837 €	579 €	1300 €	845 €	607 €	1365 €	888 €	521 €	1170 €	761 €	550 €	1235 €	803 €
Network Administrator	542 €	1485 €	912 €	547 €	1500 €	921 €	575 €	1575 €	967 €	493 €	1350 €	829 €	520 €	1425 €	875 €

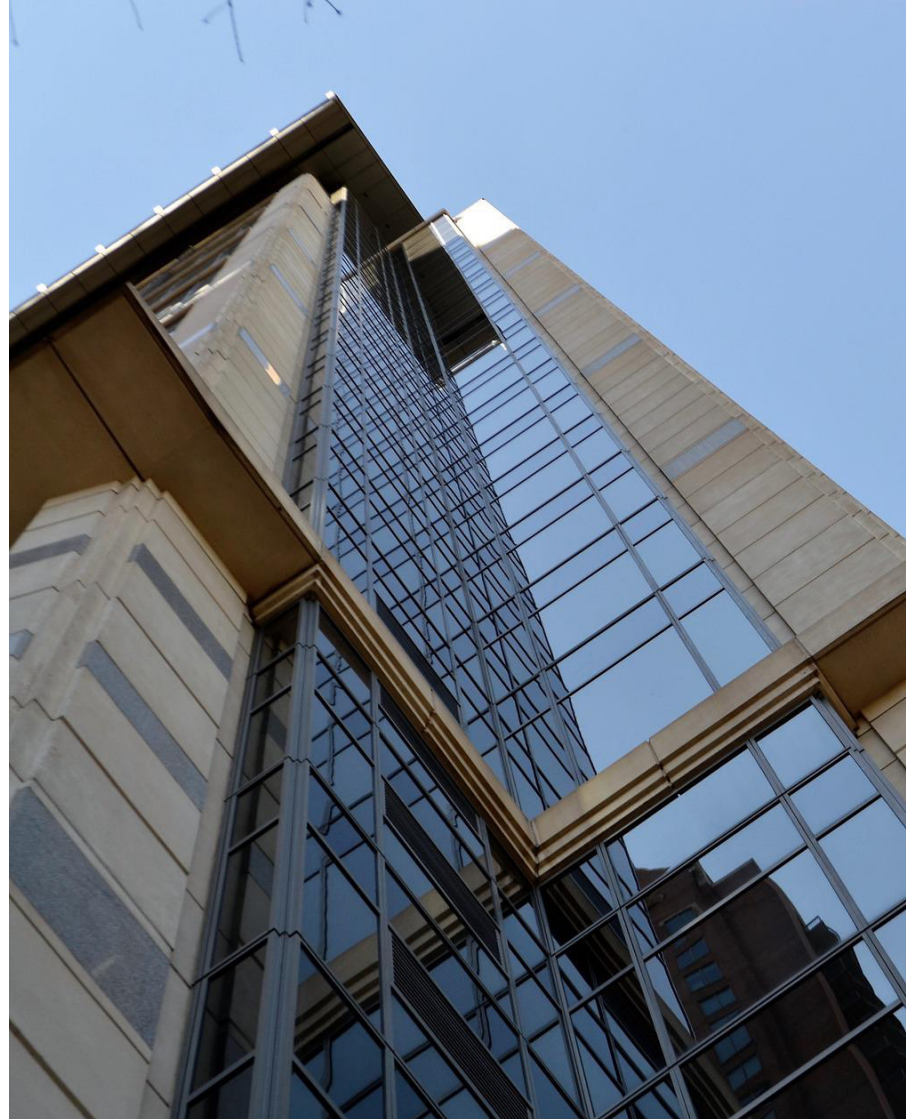
Source: ABSL BiH

Baseline Gross in EUR	BANJA LUKA			MOSTAR			SARAJEVO			TUZLA			ZENICA		
	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED	MIN	MAX	MED
 IT DEVELOPMENT															
Front End Developer	665 €	2239 €	1380 €	672 €	2262 €	1393 €	739 €	2488 €	1533 €	604 €	2036 €	1254 €	638 €	2149 €	1324 €
Back End Developer	794 €	2213 €	1429 €	803 €	2236 €	1443 €	883 €	2459 €	1588 €	722 €	2012 €	1299 €	762 €	2124 €	1371 €
Mobile App Developer	833 €	2879 €	1763 €	841 €	2908 €	1781 €	925 €	3199 €	1959 €	757 €	2617 €	1603 €	799 €	2763 €	1692 €
Business Analyst	601 €	2281 €	1369 €	607 €	2304 €	1383 €	668 €	2535 €	1521 €	546 €	2074 €	1245 €	577 €	2189 €	1314 €
Quality Assuranc	645 €	2046 €	1278 €	651 €	2066 €	1291 €	716 €	2170 €	1371 €	586 €	1860 €	1162 €	619 €	1963 €	1226 €
 LOGISTICS															
Procurement Specialist	564 €	1033 €	719 €	570 €	1043 €	726 €	599 €	1096 €	762 €	513 €	939 €	654 €	542 €	991 €	690 €
Logistics Specialist	632 €	1227 €	837 €	638 €	1240 €	845 €	670 €	1302 €	887 €	574 €	1116 €	761 €	606 €	1178 €	803 €
Dispatcher	596 €	1621 €	997 €	602 €	1637 €	1008 €	632 €	1719 €	1058 €	542 €	1473 €	907 €	572 €	1555 €	957 €
Quality Specialist	526 €	1197 €	775 €	532 €	1209 €	783 €	558 €	1269 €	822 €	479 €	1088 €	705 €	505 €	1148 €	744 €
Process Manager	813 €	1710 €	1135 €	821 €	1727 €	1146 €	862 €	1813 €	1204 €	739 €	1554 €	1032 €	780 €	1641 €	1089 €
 CUSTOMER SUPPORT															
CS - Call Inbound	557 €	1.019 €	712 €	563 €	1.030 €	719 €	593 €	1.084 €	757 €	€ 510	€ 932	€ 651	€ 534	€ 976	€ 681
CS - Sales	788 €	1.562 €	1.054 €	796 €	1.579 €	1.065 €	838 €	1.662 €	1.121 €	€ 721	€ 1.429	€ 964	€ 754	€ 1.496	€ 1.009
CS - Service des	756 €	1.584 €	1.124 €	764 €	1.601 €	1.136 €	804 €	1.685 €	1.196 €	€ 691	€ 1.449	€ 1.029	€ 724	€ 1.517	€ 1.076
CS - Technnical support	600 €	1.627 €	1.000 €	606 €	1.644 €	1.011 €	638 €	1.731 €	1.064 €	€ 549	€ 1.489	€ 915	€ 574	€ 1.558	€ 958
CS - OSS	753 €	1.577 €	1.108 €	761 €	1.594 €	1.120 €	801 €	1.678 €	1.179 €	€ 689	€ 1.443	€ 1.014	€ 721	€ 1.510	€ 1.061

Source: ABSL BiH

OFFICE MARKET

Recent years have seen an upturn in the quality of available business premises, with both new construction and refurbishments in prime city locations. The municipalities of Centar, Novo Sarajevo, and Novi Grad offer the best combination of real estate quality and connectivity, though less expensive real estate and pleasant surroundings can also be found on the university and airport side of town in Ilidža. A little further afield, in adjacent suburbs, rates range from as low as 5 – 9 EUR per square metre. The size and layout of the city is such that, with moderate traffic, few places within city limits are more than 10-15 minutes commuting time to the central business district. It is equally possible to travel across the whole city from east to west and arrive at the airport within 20 minutes.



REAL ESTATE KEY STATISTICS

CLASS	STOCK	VACANCY RATE(EUR)	RENT
A CLASS BUILDINGS	80,000 SQ METRES	10-20%	12-18 SQ METRE
B CLASS BUILDINGS	40,000 SQ METRES	5-15%	9-13 SQ METRE

Source: Marisa Mejric, IT-BPO Expert, Colliers International, 2018

USEFUL CONTACTS:

Ministry of Communications and Transport of Bosnia and Herzegovina

<http://www.mkt.gov.ba>

Federal Ministry of Transport and Communications

<http://www.fmpik.gov.ba>

Ministry of Transport and Communications Republic of Srpska

<http://www.vladars.net>

BiT Alliance

<http://bit-alliance.ba/>

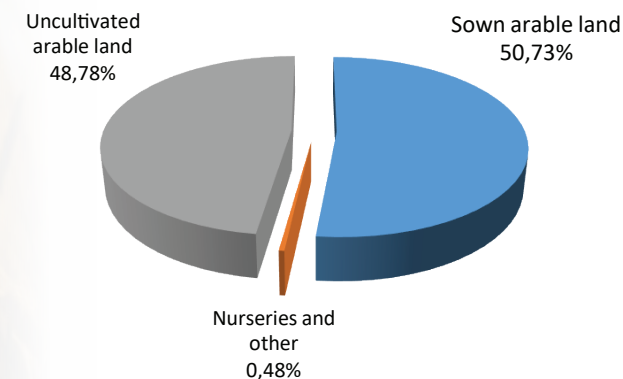
ABSL

AGRICULTURE AND FOOD PROCESSING INDUSTRY IN BOSNIA AND HERZEGOVINA

■ GENERAL OVERVIEW FOR INVESTORS IN BIH'S AGRICULTURE AND FOOD INDUSTRY

Abundance of fertile uncultivated and unpolluted land

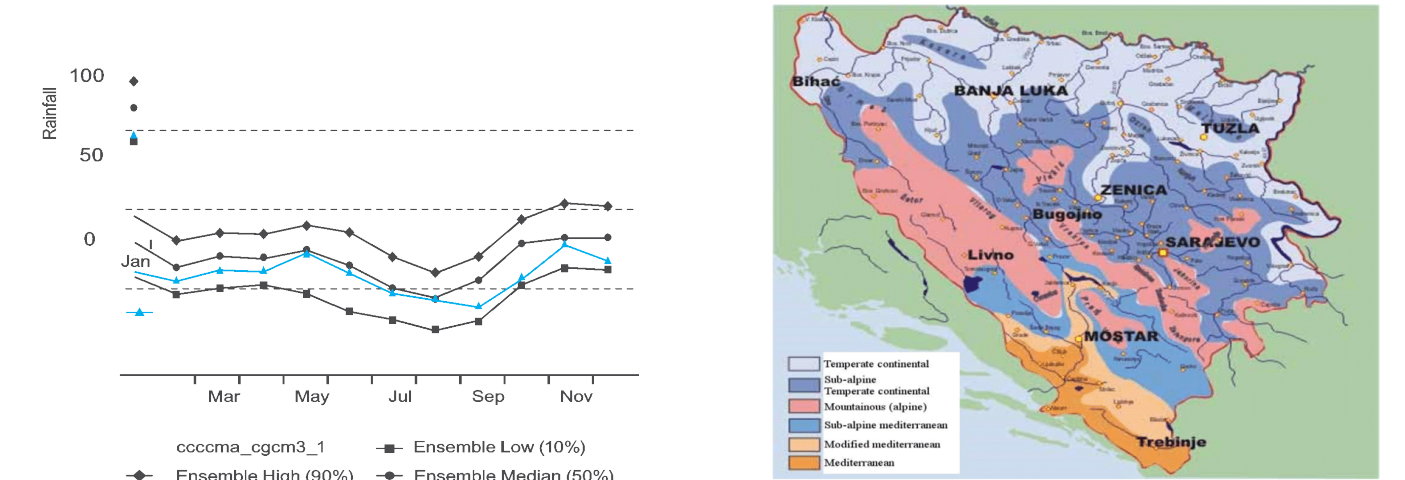
About half of the B&H land area is agricultural land where 2.4 million hectares comprise approximately 1.2 million ha of arable land, 100.000 ha of orchards and vineyards, 500.000 ha of improved grazing land, and 850.00 ha of mountain pastures. Around 1,800 ha of greenhouses area in BiH.



Arable land in Bosnia and Herzegovina

BIH's varied topography and climate conditions allow for longer growing and harvesting seasons

The climate is predominantly moderate continental, particularly characteristic of Central B&H, while the northern part of the country has a mostly continental climate. South of the country has a Sub-Mediterranean climate, characterized by long, summers and short, mild winters, with more than 200 sunny days and 1400 l/m2 of rainfall per year.



Projected temperature for period 2020 – 2039 and Climate Zones

Fruit's maturity calendar (Month/week)

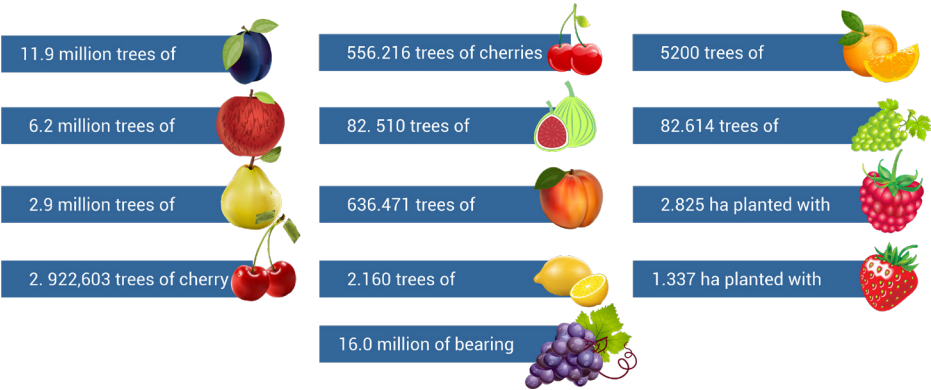
	May	June	July	August	September	October	November
Apple							
Pear							
Plum							
Cherry							
Sour Cherry							
Peach							
Apricot							
Quince							
Raspberry							
Blackberry							
Strawberry							

Vegetables's maturity calendar (Month/week)

	June	July	August	September	October	November
Salad						
Peas						
Carrot						
Broccoli						
Garlic						
Cucumber						
Tomato						
Potato						
Egg plant						
Cabbage/ Cale						

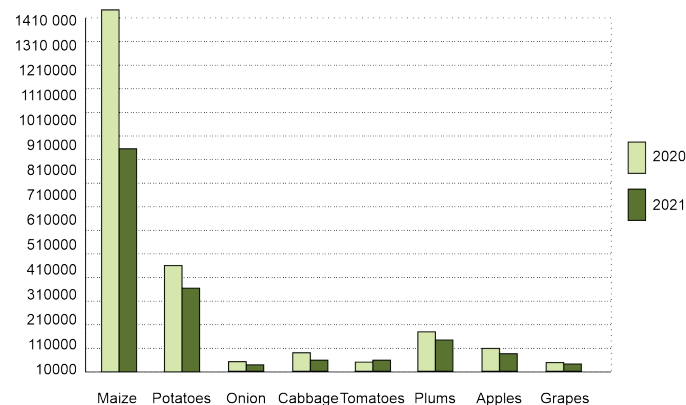
Fruit and vegetable maturity calendar

BiH is among the leading world producers of raspberries, plums, and strawberries and produces significant quantities of high-quality vegetables: potatoes, peppers, cabbage, and cucumbers as well as beans, onions, but lettuce, carrots, garlic, cantaloupe, watermelon, beetroot are also frequently grown. In vegetable production, the production in the protected areas (greenhouses) registered the highest increase. The most important fruit corps in 2021 (according to the data of the Agency for Statistics of BiH are

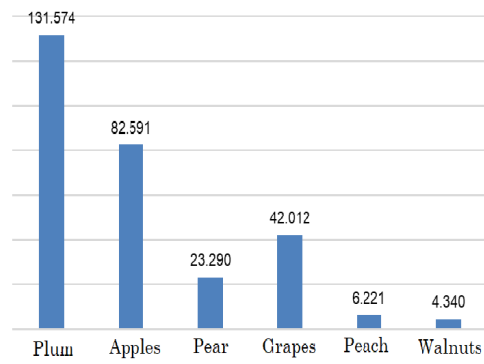


According to the data of the Foreign Trade Chamber of Bosnia and Herzegovina for 2021, the value of exports of edible fruits and nuts in 2021 amounted to 151.6 million BAM, which is an increase of 16.6% compared to 2020. The most important export markets for fruit are Serbia (50.0 million BAM), Germany (with 25.1), Croatia (11.6), the Russian Federation (8.8 million BAM), and France (8.7 million BAM). Exports are dominated by frozen raspberries.

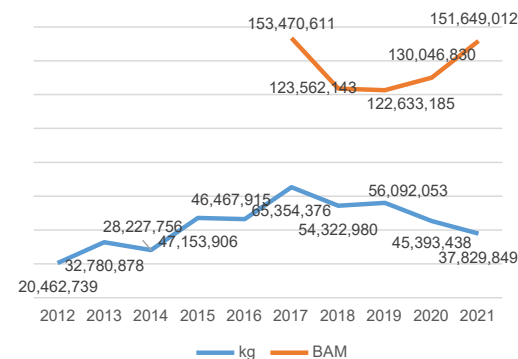
In 2021, the export of edible vegetables amounted to 50.6 million BAM, which is an increase of 1.9% compared to 2020 (top export markets are Germany, Croatia, Switzerland, Slovenia, Italy, etc.). Exports are dominated by fresh gherkins and cucumbers and dried mushrooms.



Source: BiH' Agency for Statistics



The main fruit crops, produced in tons in 2021
Source: BiH' Agency for Statistics

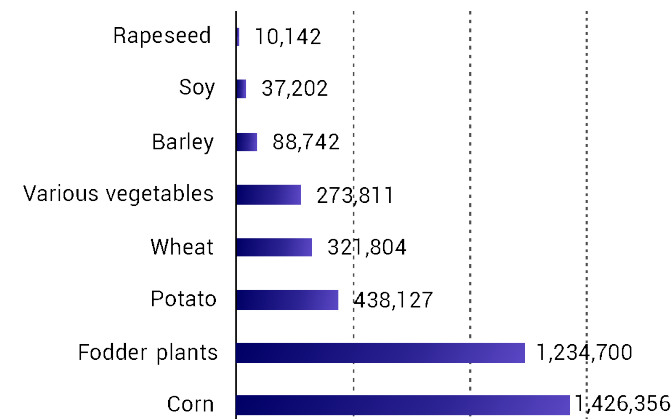


Fruit exports

Source: Foreign Trade Chamber of Bosnia and Herzegovina

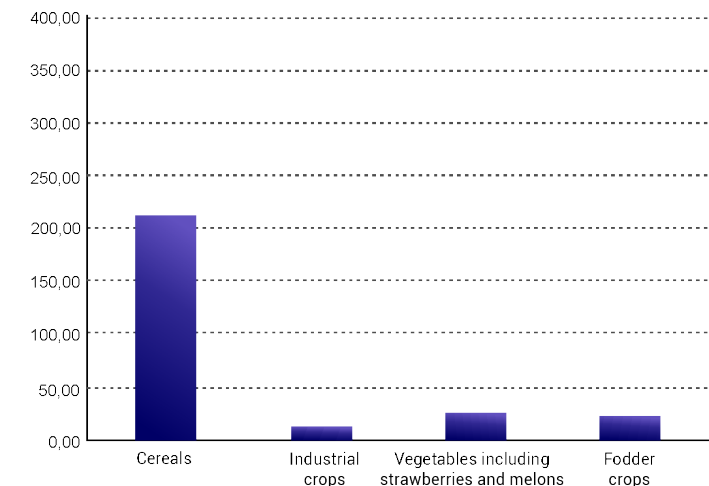
Northern parts of the country and river valleys are particularly suitable for field crops production, including cereals, industrial crops, vegetables, feed crops, etc as well as for intensive commercial cattle rising for fattening, meat, and dairy production.

Main crops, Produced in tons in 2020



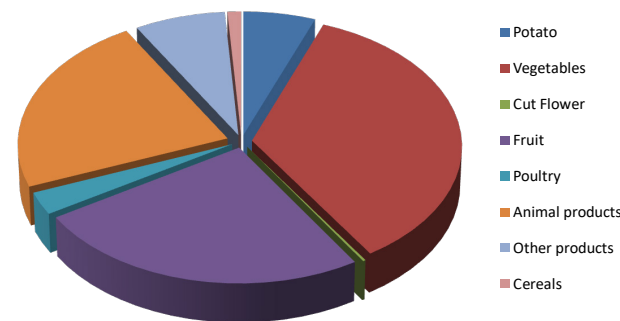
Source: BiH' Agency for Statistics

Areas sown and plantations by type of crops in Bosnia and Herzegovina



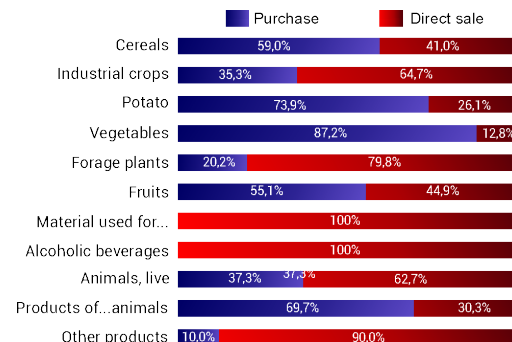
The value of cereals exports in 2021 amounted to 24.3 million BAM, which is 33.6% more than exports in 2020. when exports were 18.2 million BAM (more 63.4% compared to 2019.) The top export markets in 2021 are Croatia (94%) and Serbia (4%).

Structure of total sale of agricultural products on green markets in 2021.



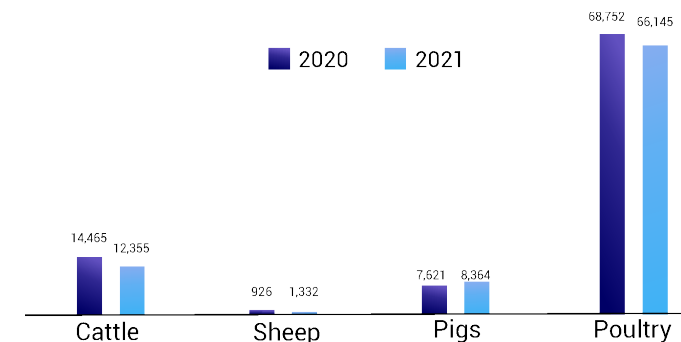
Source: BiH' Agency for Statistics

Share of the group of agricultural products in total value of purchase and direct sale 2021.



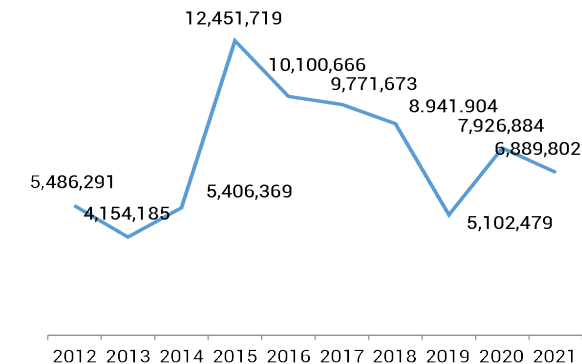
The total value of milk exports in 2021 amounts to 93.9 million BAM, and in 2020 it amounts to 94 million BAM, which is a slight decrease of -0.1%. The top export markets are CEFTA countries. The top export markets are Montenegro, Serbia, and Croatia. Exports are dominated by UHT milk and yogurts.

Net weight livestock and poultry slaughtered in abattoirs in tons 2020 and 2021



Source: Agency for Statistic of BiH

Export of meat (kg)

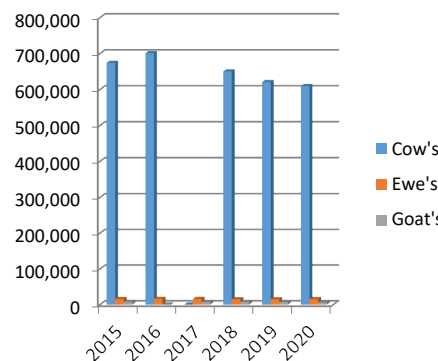


Source: Foreign Trade Chamber of Bosnia and Herzegovina

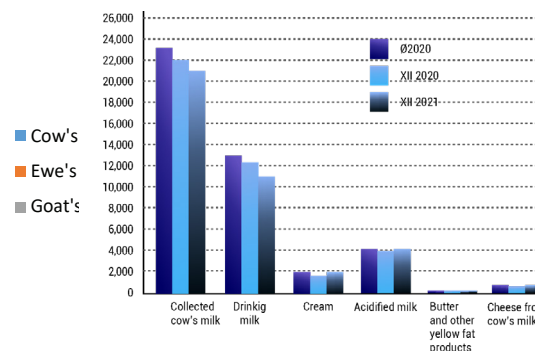
Meat and meat products were exported in the amount of 110 million BAM (3.9% more than exports in 2020), of which over 50% is exported to the CEFTA market and most to Serbia. Exports are dominated by canned chicken products, fresh beef, and poultry.

Agriculture sector of the country has a high potential for generating growth, job creation, and export.

Milk production, 000 litres

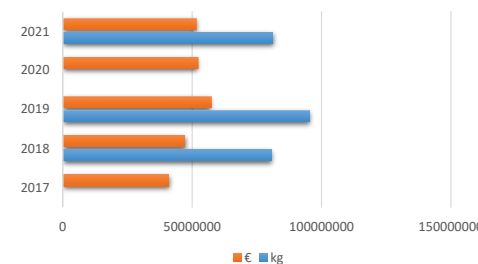


Collected cow's milk products obtained, December 2021



Source: Agency for Statistics of BiH

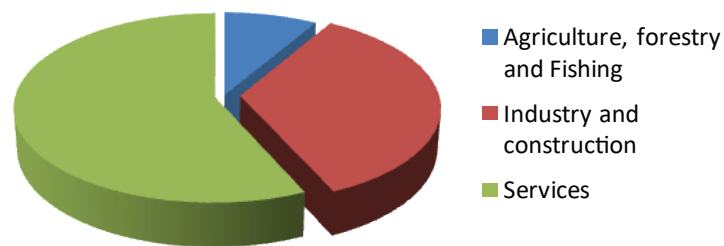
Export of milk and milk product



Source: Foreign Trade Chamber of Bosnia and Herzegovina

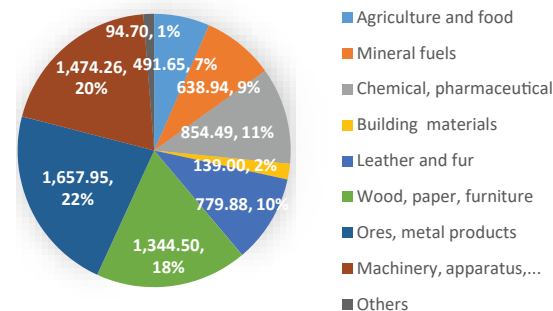
Agriculture sector of the country has a high potential for generating growth, job creation, and export. The sector employs about 10% of the total number of employees in BiH (data for the third quarter of 2021).

Employed persons by groups of sections of economic activities, BiH (%)

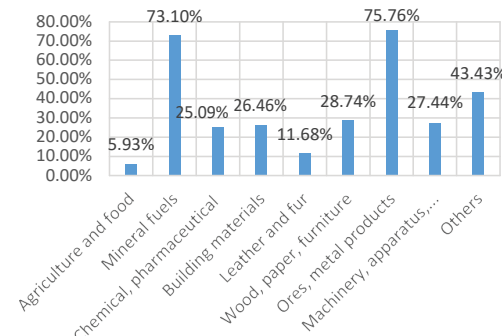


Source: Agency for Statistics of BiH

Export of BiH, by sector (2021), in a mill. euros



Export growth by sector (2021/2020)



Source: Foreign Trade Chamber of Bosnia and Herzegovina

The volume of trade in the food sector has increased, due to an increase in both exports and imports. Exports amount to € 492 million, an increase of 6%. Milk and dairy products, meat and meat products, and fruits and vegetables participate the most in exports and imports. The most important foreign trade partners are the EU countries and the countries that are signatories to the CEFTA agreement.

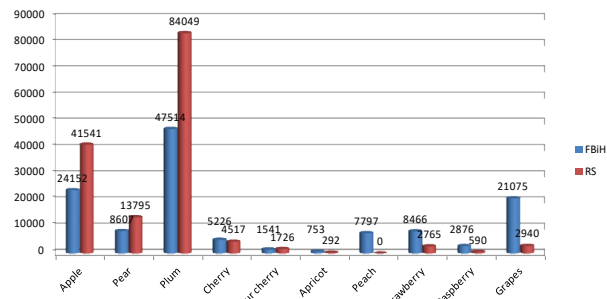
Other important facts

- Fruits and vegetables privileged growing conditions thanks to fertile and unpolluted soils, an abundance of freshwater resources, and favorable and varied climatic conditions remain an untapped resource at very competitive costs.
- The vast number of rivers and lakes offer great opportunities for fish farming.
- Excellent opportunities for the production of Halal meat and foods in general.
- Access to markets with more than 600 million consumers: EFTA and CEFTA member states, Turkey and Preferential Trade Agreement with EU countries,
- Attractive location bordering the EU (Croatia), Serbia, Montenegro, and the Adriatic Sea: an excellent platform to reach Central and Eastern Europe, the Middle East, and West Asia.
- Maximum 1 to 2-day truck transport to most EU markets.
- Relatively small distance between major fruits and vegetable production areas within BiH - maximum 100 km.
- Excellent opportunity to cover the Balkan market demand as well as BIH, which imports over 75% of its food and agricultural product needs.
- Opportunity for organic production for most of agricultural products.
- Average market prices for raspberries and plums in BIH are the lowest among the top 10 producing countries.
- The country has a long tradition in agriculture which represents an excellent ground for applying new, modern production and processing technologies.
- Modern processing capacities are available for fruit & vegetable value-added products. Current BiH fruit and vegetable production vastly exceeds existing cool storage and processing capacities, while demand is consistently growing and over 75% of food in the country is imported.

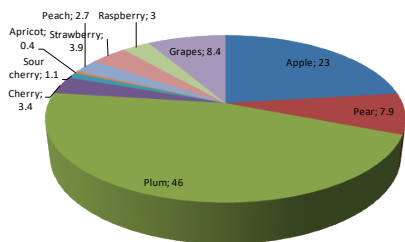
Fruit processing map



**Fruit production (t)
average 2008 - 2012**



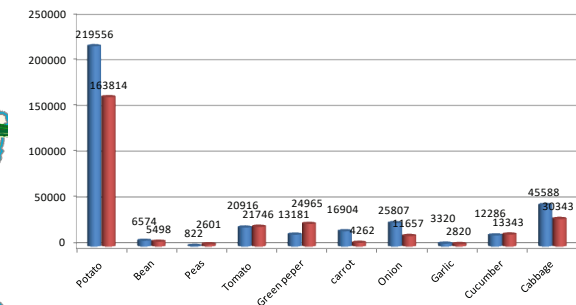
**Production share
average 2008 - 2012**



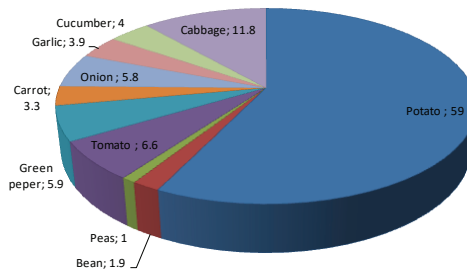
**Federacija
Bosne i Hercegovine**

1. Unsko-sanski kanton
2. Kanton Posavski
3. Tuzlanski kanton
4. Zeničko-dobojski kanton
5. Bosansko-podrinjski kanton
6. Srednjobosanski kanton
7. Hercegovačko-neretvanski kanton
8. Zapadnohercegovački kanton
9. Kanton Sarajevo
10. Kanton 10

**Vegetable production (t)
average 2008 - 2012**



**Production share
average 2008 - 2012**



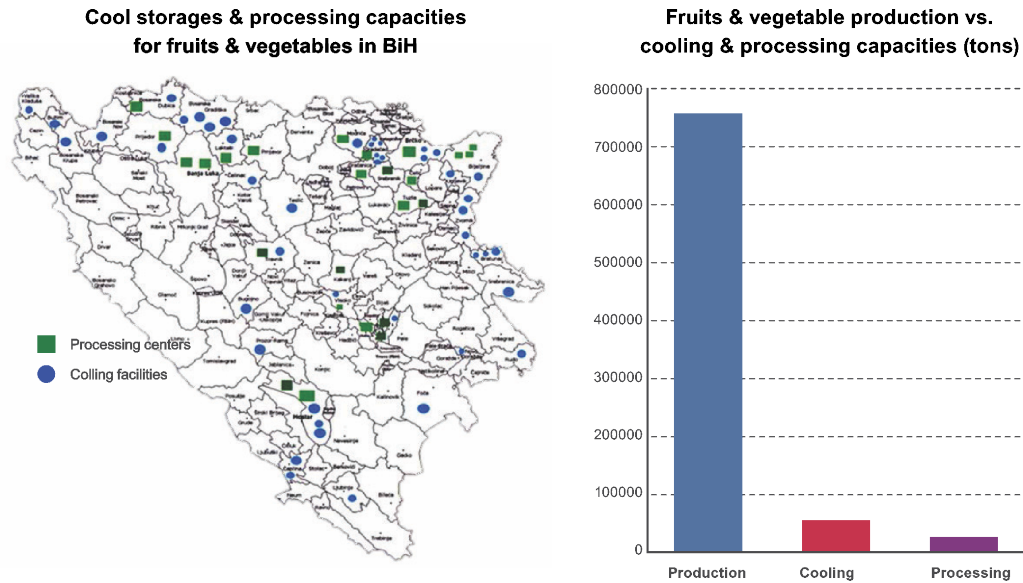
**Federacija
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7. Hercegovačko-neretvanski kanton
8. Zapadnohercegovački kanton
9. Kanton Sarajevo
10. Kanton 10



- Vitaminka Banja Luka - production of preserved vegetables
- Mamex, Bijeljina - green houses and cool storage cap. 1000 t.
- Others
- Production farms

Less than 10% of fruits and vegetables are processed in BiH, offering unique opportunities for investments in processing, cold storage, and deep freeze capacities - these would lead to higher production



- Fruit & vegetable production in BiH is concentrated in the same areas – the distance between major production areas is not more than 100 km.
- BiH's fruit & vegetable export figures remain below 10% of total production.
- BiH cucumbers and gherkins export potential are nearly 6,000 tons annually.
- Foreign capital has been present in the agriculture sector for years and some of the successful examples are given in chapter no.4.

INVESTMENT OPPORTUNITIES

- Enlarging production of fresh raspberries, plums, cherries, grapes, cabbage, cucumbers, and young potato.
- Cold storage and deep freeze centers for various fruits and vegetables.
- Further development of the existing Agro Logistic Business Park.
- Processing centers for plums, peppers, cucumbers, and cabbages.
- The high potential of meat and milk processing
- Development of an Air Cargo Center in a site located in the most prominent agricultural area in BiH which has an existing suitable landing air cargo runway.
- Investment in replacement and procurement of new, specialized agricultural machinery
- Investment in Irrigation systems
- Opportunity for organic production for most of the agricultural products
- Most of the incentives are focused on the agricultural sector

The concept of co-financing investment project to:		
30% the basic amount of support for all projects	5% An additional amount of support for women and young people Up to 40 years (holders of agricultural holdings)	
25% grant funds of the Ministry of FBiH	25% user's resources	50% funds from the loan of The Developed Bank of BiH

Foreign companies that already invested
in BiH food processing industry

BiH COMPANY	CITY
BIMAL	Brčko
SL TAKOVO d.o.o.	Trebinje
BOSNAPLOD	Brčko
VOČAR	Brčko
INMER d.o.o. & Lactalis BH d.o.o.	Gradačac
MEGGLE MLJEKARA	Bihać
MLIJEKO PRODUKT	Bosanska Dubica
ZOTT SEE d.o.o.	Gradačac
PRERADA I PROMET MLIJEKA d.d.	Tuzla
*STEPLYN DAIRY	Bihać
*LURA MLJEKARA,	Livno
LEDO	Čitluk
NESTLE ICE CREAM	Bijeljina
BOS AGRO FOOD	Sarajevo
HiPP Bosnia & Herzegovina	Sarajevo
MIRA	Prijedor
ARGETA	Sarajevo
PERUTNINA BiH	Breza

BiH fruit processing companies

COMPANY	CITY
APIFRUCHT	Sanski Most
ECO-LINE DOO	Mostar
EIN NATURAL D.O.O.	Sarajevo
Heko / H&H Frui DOO	Bugojno
ZZ INSIEME	Bratunac
KUĆA PRIRODE DOO	Srajevo
PRIJEDORČANKA AD	Prijedor
VITAMINKA	Banja Luka

Market leaders in BiH in milk
production and processing

COMPANY	CITY
MLIJEKO PRODUCT	Kozarska Dubica
MEGGLE MLJEKARA	Bihać
MILKOS	Sarajevo
ZOTT See d.o.o.	Gradačac
LACTALIS BiH	Gradačac

Significant producers & potential strategic partners in BiH in
medicinal and aromatic plants, wild berries and mushrooms:

BiH COMPANY	CITY
ABC MAHIĆ	Bosanska Krupa
AROME	Mostar
BIONATURA	Breza
CYDONIA	Gračanica
ELMAR-AROMA CAR	Bileća
HEKO	Bugojno
LAMARUŽ	Sovići
HERCEG MED	Trebinje
BILJANA	Maoča
ČELIKOVIĆ	Bihać
FAVEDA	Sarajevo
FRUTTI FUNGHI	Visoko
HALILOVIĆ	Sarajevo
LJEKO BILJE	Trebinje
PLANTAGO	Laktaši
ROING	Ljubuški
SMRČAK	Zvornik
BELLADONNA,	Laktaši
KAP PO KAP	Laktaši
PHARMAMED	Travnik
ŠUMSKI PLOD	Prozor-Rama
VEXTRA	Mostar

BiH fruit processing companies

COMPANY	CITY
AKOVA IMPEX d.o.o.	Sarajevo
ASJA d.o.o.	Široki Brijeg
MENPROM	Tuzla
PERUTNINA d.o.o.	Breza
MI RAKITNO, d.o.o.	Posušje
ARGETA d.o.o.	Sarajevo
BRAJLOVIĆ	Sarajevo
BROJLER	Sarajevo
NATURA VITA	Teslić
BAJRA	Travnik
MI TULUMOVIĆ	Banja Luka

■ WHAT OUR INVESTORS HAVE TO SAY:

"Bosnia and Herzegovina is selected as the best location for construction of a sugar refinery that will greatly contribute to the strategic development of the food industry and the economy of this country. The sugar refinery, will be a leader in Southeast Europe by production capacity, and will promote the economy of Bosnia and Herzegovina on its path to Europe. "

Ilija Studen, president of the board of Studen & Co holding

"In cooperation with the Norwegian company " Geno " I made the decision to go with certain investments in BiH. The reason for the decision lies in the enormous opportunities that this country offers, especially when it comes to agriculture. I would especially stress that skilled labor force, huge unemployment and climatic conditions provide significant opportunity for the development of agriculture, and I think there lies the future of this country. "

Jusuf Arifagic, director, Arifagic investment doo export-import Kozarac

"Slovenian investors are satisfied with the operations in Bosnia and Herzegovina and their goal is a long term presence and strengthening at the BiH market."

Samir Brodović ,director , Argeta Sarajevo - Droga Kolinska, Slovenia

"The total worth of investments in this year is 11 million BAM that reflects the commitment of our company to investments and modernizing the dairy company Meggle in Bihac. Upon completion of this investment, dairy production will be modernized and we will make a step forward in increasing the milk processing", said director Hrnjic.

Kemal Hrnjić, director of Meggle Dairies, Austria

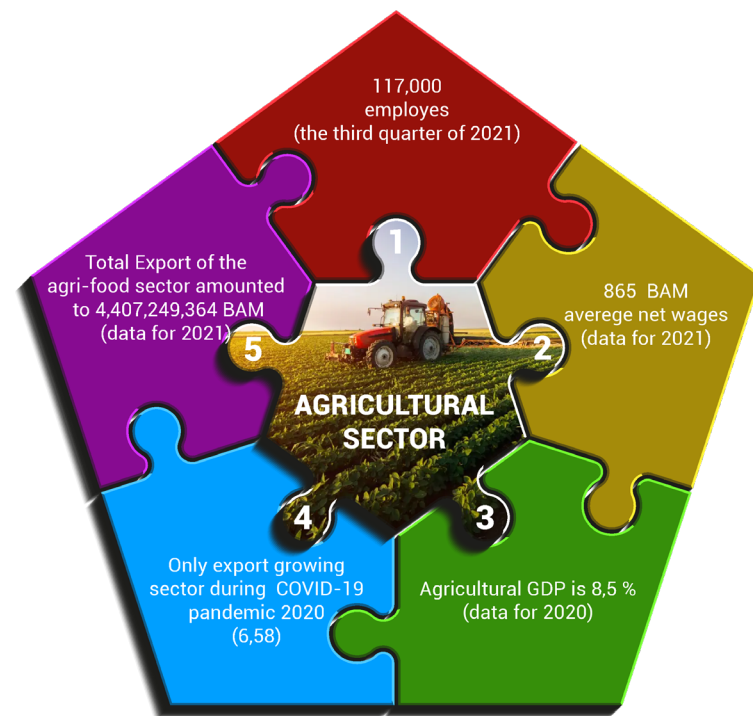
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Dževad Šipka, director of Kreis BH Sarajevo

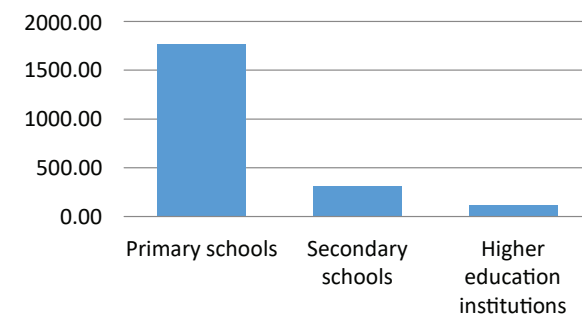
"I am very pleased with the way I was greeted here, everyone is accommodating and willing to help with completing the necessary paperwork. I also visited several farms in Kalesija that already make strawberries, raspberries and other crops, and they want to have a safe purchase of thez products. My company will be the guarantor of that purchase and export to the European Union" - said Ahmed.

Ahmed Shafiq, founder, Hampton d.o.o. Kalesija

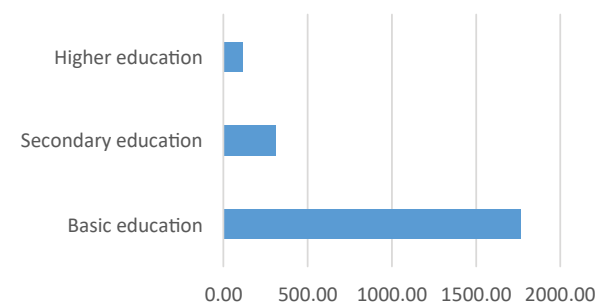
MORE IMPORTANT FACTS



Schools in BiH 2020/2021



Number of students 2020/2021



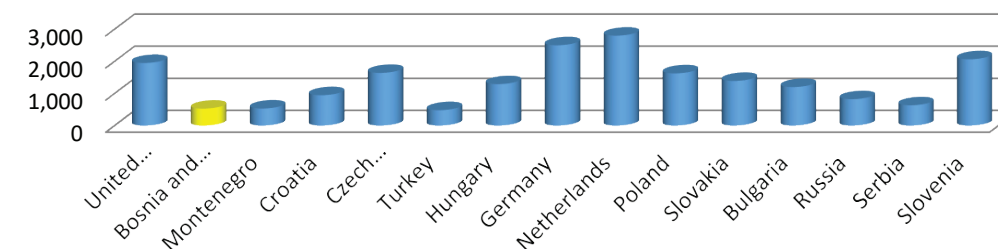
Source: Agency for Statistics of BiH

Overview of the number of employees and income for the agro-industry, by areas and entities:

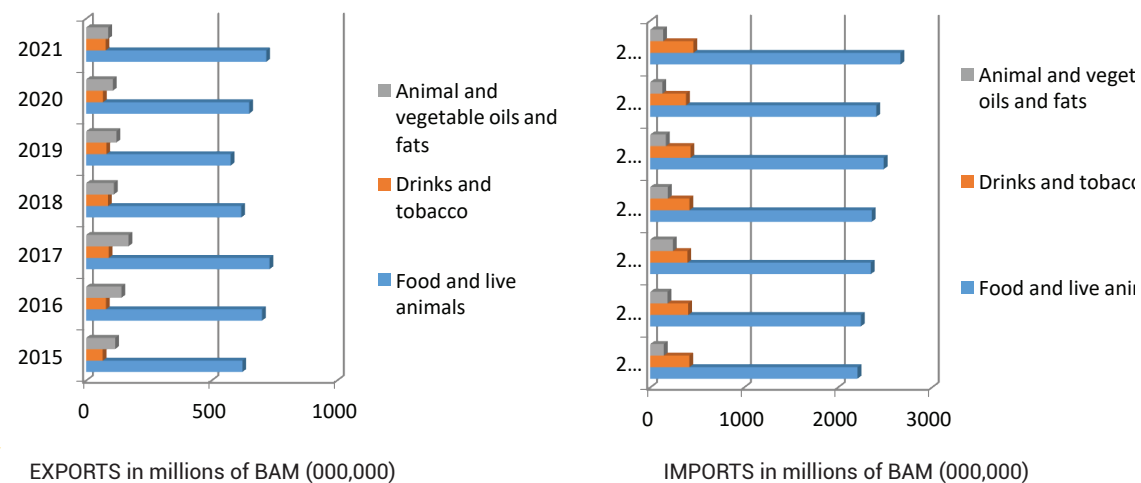
Agroindustry	RS employed				FBiH employed				Salaries in BiH, XII 2021	
	2015	2017	2019	2020	2015	2017	2019	2020	Net BAM	Gross BAM
Production of food products	8,887	9,768	9,308	9,184	12,230	13,831	13,995	13,719	751	1,146
Beverage production	557	737	732	713	1,529	1,418	1,483	1,450	1,094	1,684
Production of tobacco products	180	141	6	4	367	321	203	162	1.074	1,557
TOTAL	9,624	10,646	10,046	9,901	14,126	15,570	15,681	15,331	-	-

Source: Entity Statistical Offices; and: Agency for Statistics of BiH

Average net monthly wages (EUR) in 2021



Source: Agency for Statistics of BiH



Source: Agency for Statistics of BiH

OPERATING COSTS – SIGNIFICANTLY LOWER THAN IN EU (December 2021)

Mobile phone usage :

Neighboring countries 0.143 to 0.358 €/ min.

Other EU countries 0.41 €/ min.

Pan-European Countries - 0.41 to 0.53 €/ min.

Electricity: low tariff 0.05 - high tariff 0.10 €/kWh

Fuel Average price:

Euro diesel 1.17 €/l

Petrol 98 octanes 1.17 €/l

Petrol BMB 95 octanes 1.17 €/l

Water costs: Average price 0.562 €/m³

Natural gas: Average price 0.358 €/m³

Industry price 0.507-0.513 €/Sm³

Renting production building: 2 €/m² – 10 €/m²

Buying production building: 50 €/m² – 1,000 €/m²

Renting office space: 5 €/m² – 20 €/m²

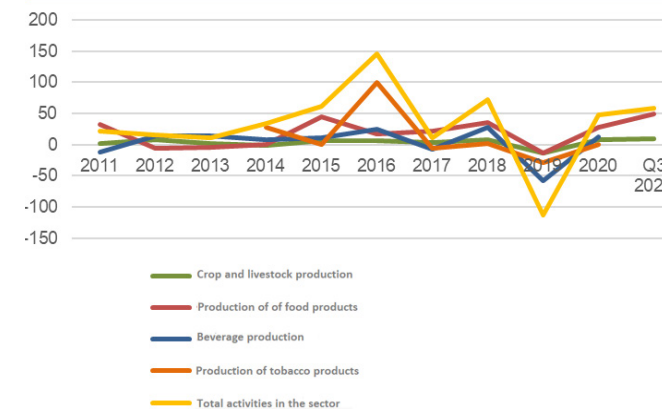
Buying price of office space 500 €/m² – 3,000 €/m²

Buying price of the land is 2 €/m² – 700 €/m²

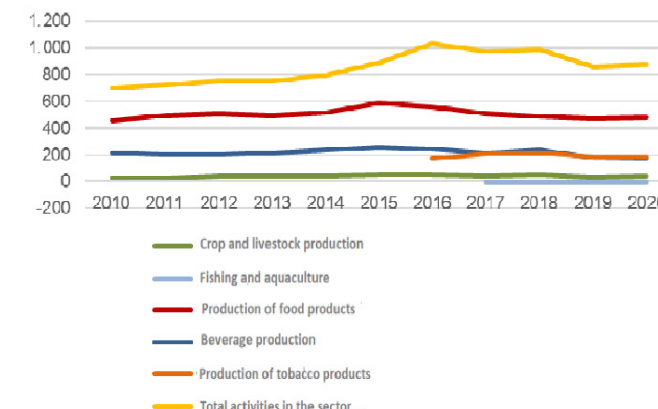
Agricultural Land: 2 - 25 €/m²

Construction Land : 25 - 700 €/m²

FDI IN AGRICULTURE SECTOR



Source: Central Bank of BiH, FDI flows by activities and FDI in agricultural activities, million BAM



According to preliminary data, in the first three quarters of 2021, €29.6 million was registered within the sector (share of 5.6% in total FDI).

AGRICULTURAL FAIRS IN BOSNIA AND HERZEGOVINA

EKOBIS
Bihać /September/

PLUM FAIR
Gradačac /August/

BEEKEEPING FESTIVAL
Sarajevo /June/

AGROS
Banja Luka /September/

INTERAGRO
Bijeljina /September/

ZEPS
Zenica /October/

FESTIVAL OF TEA&HERBS
Sarajevo /June/

**INTERNATIONAL
ECONOMY FAIR**
Mostar /April/

MEDICINAL AND AROMATIC PLANTS, HONEY, MUSHROOMS, AND WILD FOREST PRODUCTS

Bosnian medicinal herbs are above all European standards in terms of quality, and all BiH brands based on medicinal herbs, both in BiH and abroad, have been awarded gold medals.

The very rich biodiversity of medicinal and aromatic plants and mushrooms in the area of Bosnia and Herzegovina has the potential to contribute substantially to the national economy.

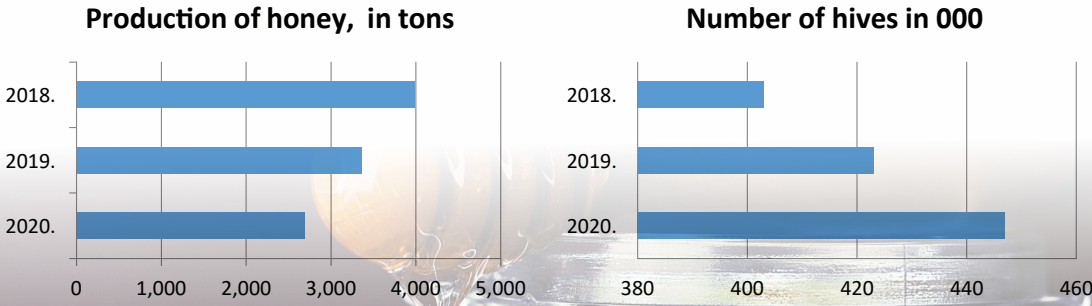
- It is believed that Bosnia and Herzegovina has over 700 species of medicinal and aromatic plants of which around 200 are exploited (balm, immortelle, juniper, chamomile, lavender, mint, rosemary, sage, savory, etc)
- The annual harvesting in BiH varies from 1.500 to 9.000 tons.

The value of exports of essential oils in the period 2021 amounted to 3,445,523 BAM, which is 22.25% less than in 2020.

Diversity of climate and vegetation, clean environment, and tradition in beekeeping are good pre-conditions for the production of high-quality honey in BiH. The main beekeeping products are honey, beeswax, royal jelly, pollen, and bee venom.

-There are several varieties of honey produced in BiH, depending on the geographic region. Sage, Heather, Jerusalem Thorn, Dalmatian Laburnum, and Tangerine honey are produced by the beekeepers from the southern part of BiH, and Chestnut Sunflower Alfalfa and Acacia honey are produced

in the northern part of BiH.
- honey production in BiH cannot cover the needs of the local market.



Source: Foreign Trade Chamber of Bosnia and Herzegovina



BAKERIES, FLOUR MILLS, AND EDIBLE OIL PRODUCTION

Market leaders (flour mills/bakeries) are KLAS and SPRING, both belonging to MIMS Group from Sarajevo. Also, there are a number of small and medium-sized companies. BIMAL Brčko is BiH's sole edible oil producing company, with crushing, refining, and bottling capacities. The leading flour export markets were Turkey, Montenegro, and Northern Macedonia. Exports of products from the milling industry and malt and starch reached the value of 12,508,770 BAM (26.46% less than last year).

SUGAR FACTORIES, SUGAR PRODUCTION

Companies STUDEN and AGRANA from Austria, have built a sugar refinery in Brčko District of BiH, STUDEN - AGRANA RAFINERIJA ŠEĆERA. After 18 years of standstill, the sugar plant of FABRIKA ŠEĆERA in Bijeljina started operating again in 2010. The plant's daily processing capacity is 4,000 tons of sugar beet and production of 500 tons of sugar. BiH still has some unused customs-free quota for the export of sugar to the EU.

The value of exports of sugar and sugar products in 2021 amounted to 3,358,157 BAM, which is 44.42% less than in 2020.

WINE

The culture of wine growing and wine production in Bosnia and Herzegovina dates back to the period of the Illyrian and the Thracians, who introduced the grapevine seedlings to the Balkans. Herzegovinian winemakers aspire to be recognized for Žilavka and Blatina as unique grape varieties in the world of wine and to present themselves to the world through the wine that captures the savor of the soil and the fervency of the Herzegovinian sun. The BiH wine growing takes place in Herzegovina region near City of Mostar and the area of Municipalities of Čitluk, Stolac, Ljubuški, Trebinje and Čapljina.

Wine producers from Bosnia and Herzegovina have won numerous awards from the most prestigious and acclaimed competitions in the wine industry.

The value of wine exports in 2021 amounted to 6,457,147 BAM, which is 18.48% more than in 2020.



FISH FARMING

The abundance of the clear, unpolluted rivers and streams that cross the country presents huge potential for both family-owned and industrial size fish farming production. Fish farming is already developed, especially trout and carp rising.

Fish species:

The most important fish species in the aquaculture sector in Bosnia and Herzegovina are:

- Salmon species: rainbow trout, brown trout, and brook trout
- Cyprinid species: common carp, grass carp, silver carp, and welsh catfish
- Marine species: European seabass gilthead sea bream and common dentex
- Mollusks: Mediterranean mussel and European flat oyster

Farming systems distribution and characteristics

In Bosnia and Herzegovina, fish farms are generally distributed in three main regions.

- In Northern BiH there are 5 cyprinid fish farms with a total area of 3,276 ha.
- In the River Neretva and the River Vrbas there are 40 concrete salmonid fish farms of 8.5 ha and floating cage fish farms of 8.1 ha.
- Marine aquaculture in 2 cage farms, with a total area of 3.6 ha, is located in Neum, a town on the Adriatic coast.
- In 2021 there was a total increase in exports of fish, mollusks, and fish products of 23.3% (58.479.411 BAM) compared to 2020.

TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY IN BOSNIA AND HERZEGOVINA



COMPETITIVE ADVANTAGES of these, in B&H, significant industries for new investments are:

- participates with 4.81% in the total realized production of the B&H industry, and with 6.33% in the total realized production of the processing industry.
- employs 22.15% of the total number of employees in the manufacturing industry
- In the total foreign trade of BiH in 2021, this industrial sector is represented by 11.2%, and the coverage of imports by exports of the sector is 80%.
- significantly lower production and overhead costs compared to countries in the near and far environment,
- attractive geographical position bordering the European Union (1,100 km of border with Croatia) and, therefore, low transport costs to the most important consumer destinations which allow fast, short-term deliveries,
- Additional incentives for the sector at local and entity levels.

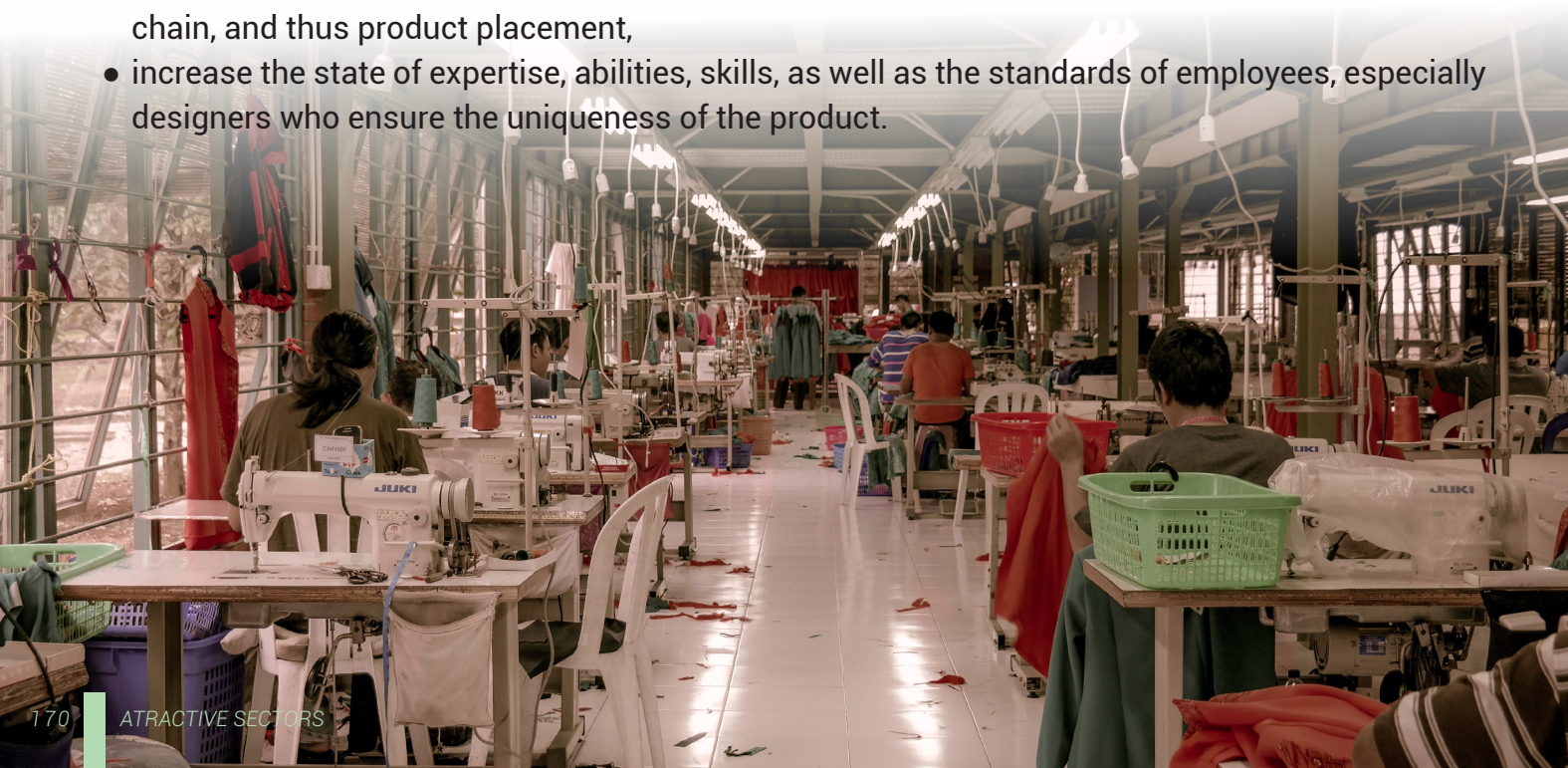


MARKET POTENTIAL

- Long tradition of clothing and footwear production (enviable industrial culture) in B&H,
- Significant experience in the production of products of the world's most renowned brands and the ability to develop their own brands,
- High quality products and services from B&H (production for the world's most renowned brands) and enviable know-how,
- Good international reputation (as a supplier), proximity to the European sales market and very successful experience in cooperation with EU partners and compliance with the requirements of these markets, short deadlines and low delivery costs,
- Low trade barriers, and a very stimulating tax policy in relation to the environment,
- Availability of own sources of cheap energy (electricity) and low other production costs (favorable utility and administrative fees) in B&H,
- Availability of (still) skilled workforce,
- Representation and territorial positioning of production capacities (in the whole B&H),
- Own raw materials (leather and wool) for several stages of processing

PROMISING OPPORTUNITIES FOR POTENTIAL INVESTORS

- Necessary strategic directions of future investment in this industry are:
- increase of investments in technological equipment of production processes,
- more significant investment in better product quality,
- investing in our own, more modern design that would lead to the expansion of the distribution chain, and thus product placement,
- increase the state of expertise, abilities, skills, as well as the standards of employees, especially designers who ensure the uniqueness of the product.



GENERAL OVERVIEW FOR INVESTORS IN THE TEXTILES, CLOTHING, LEATHER AND FOOTWEAR SECTOR

Production is mainly based on "lohn" jobs for foreign partners (sewing, tailoring, finishing, assembly services) with a very small share of production of own products. Although the dominant place is occupied by internal finishing and processing, this industry in recent years have a good export results.

The textile, clothing, leather and footwear industry is import dependent in terms of imports of raw materials that are mainly not produced in Bosnia and Herzegovina, and production is organized in small (up to 50 employees) and medium enterprises (up to 200 employees) with a wide spatial dispersion of production capacities.

The structure of textile industry products has a wide range from: men's and women's heavy clothing, light clothing, sportswear and equipment, car upholstery, underwear, protective clothing and equipment, to medical and cooking programs, home and hotel textiles, carpets, rugs and other products.

The structure of leather and footwear products includes all processes: from raw leather and wool processing (which requires special process and treatment), through sewing men's, women's and children's clothing, haberdashery accessories and other leather products, to the production of men's, women's and children's footwear, everyday footwear, special-purpose footwear for various ceremonies, work, sports, protective footwear, footwear for different seasons, etc.

TRADITION OF THE SECTOR IN B&H:

- Beginnings of the B&H textile industries date back to the beginning of the last century when production was based on craft principles. This method of production will soon be replaced by modern, up-to-date textile production facilities.
- The trend of development of this branch of industry continued until the beginning of the last war. BiH has achieved exceptional results and greatly contributed to the foreign trade balance of the former state. Smaller industrial plants were present in all parts of the country, while the creation of industrial plants completely completed the production cycle so that the production and processing of textiles and the production of finished products were part of the same industrial unit. The production of domestic clothing brands and finishing, so-called lohn jobs was in the ratio of 70:30, and not only the Yugoslav but also the world market was open for the placement of both types of products.
- The problematic period for this industry begins with the disintegration of ex-Yugoslavia (1990s) when most production plants were devastated (by transitional processes from a planned to a market economy), and a technological breakthrough after the war was virtually impossible.
- In the last two decades, the textile, clothing, leather and footwear sector in B&H has shown a tendency of continuous growth and development as well as the need for continuous investment in new technologies and improving the skills of employees. A key element of new investments in technological improvements of production processes and raising the level of knowledge and skills of employees (know-how) are foreign investments whose higher inflow is expected in the

coming period (due to the spotted trend of moving orders and complete production from the Far East to Europe because of COVID 19 and “blowing” especially too long supply chains).

- The social aspect of this industry is extremely important because it employs a large number of workers with lower qualifications, mostly female workforce, with a large share of personal labor, where the price of this labor is lower than in other branches of manufacturing.



THE MOST IMPORTANT BiH COMPANIES IN THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY:

B&H has a long tradition, a significant reputation and today is still a well-developed textile, leather and footwear industry. There is a large number of significant foreign and domestic manufacturers that offer a wide range of different types of products from cotton, other textile fibers, leather, polyurethane, rubber, etc., which are produced in BiH and exported to the most demanding European and other markets.

TEXTILE and CLOTHING manufacturers

OLIMP d.d -Gračanica
PREVENT TRAVNIK d.o.o. -Travnik
ELLA TEXTILE d.o.o. - Gradiška, Nova Topola
ALMA RAS d.o.o. - Olovo
DEVIĆ-TEKSTIL d.o.o.- Teslić
FEN BH d.o.o. Lukavac
DUBICOTTON d.o.o -Kozarska Dubica
FORTITUDO d.o.o. -Travnik
RAMA – TEX d.o.o. - Prozor-Rama
AUSTRONET d.o.o. - Prijedor
BNELLISSIMA d.o.o. - Sarajevo
CONTESSA d.o.o. - Tešanj
MRAZ d.o.o.- Pale
ZAHAREX d.o.o.Srebrenik
SOCKSMAKER d.o.o. - Tešanj

PREMIER d.o.o. - Doboj
TEKSTILNA INDUSTRIJA d.o.o. - Mostar
EXCLUSIVE LINGERIE d.o.o. - Banjaluka
PREVENT SAFETY d.o.o. - Goražde
KAYAK d.o.o.- Kostajnica
NAPREDAK d.o.o. - Tešanj
SANA ELVIS d.o.o. - Novi Grad
IMK KULA d.o.o. - Gradačac
BONTEX d.o.o. Maglaj
GRANOFF d.o.o. - Sarajevo
HAKADEŠ d.o.o.- Gradiška
DIJANA TEKSTIL d.o.o.- Srbac
DD ZIKO - Zavidovići
SANA LINEA d.o.o. - Kostajnica
ZENKO d.o.o.- Zenica
YUMCO d.o.o. - Drvar

RENTEX d.o.o.- Tuzla
BORAC d.d. - Travnik
MILTEX d.o.o.- Banjaluka
KISMET d.o.o. - Doboj Istok
CARMEN LINEA d.o.o. - Banjaluka
GIONČIN d.o.o. - Gradiška

Tvornica čarapa KLJUČ d.d. - Sarajevo
SANITEKS d.d.- Velika Kladuša
FARSTAR OGIŠ MEDICAL d.o.o. - Srbac
PREVENT FABRICS d.o.o. - VISOKO

LEATHER and FOOTWEAR manufacturers

Sportekt d.o.o. - Kotor Varoš
OLIP-BOSNA - Travnik
BEMA d.o.o - Banjaluka
INTRAL BH d.o.o. - Tuzla
SANINO d.o.o. - Derventa
DERMAL R d.o.o - Kotor Varoš
ALPINA – BROMY d.o.o. - Bukva-Tešanj
AMICA do.o. - Derventa

ALFA d.o.o.- Modriča
ŠKREBIĆ COMPANY d.o.o. - Teslić
PREVENT STEP d.o.o. - Bugojno
KAVAT d.o.o. - Travnik
BOOXMARK d.o.o. - Lukavac
NOVA IVANČICA d.o.o. - Kozarac-Prijedor
FORTUNA d.d. - Gračanica

FUR, LEATHER and leather GOODS manufacturers

KUNA, EXPORT-IMPORT d.o.o. - Visoko
PREVENT LEATHER d.o.o. - Sarajevo
KOTEKS d.o.o. - Tešanj
KOŽARA d.o.o. - Bugojno

ALBEX GROUPE d.o.o. - Visoko
EURO–GALANT d.o.o. - Gračanica
BELT d.o.o. - Banjaluka
CIMMS d.o.o. - Prijedor
SOKOLOVIĆ LEATHER - Visoko

What our investors have to say:

PREVENT CENTRAL & EASTERN EUROPE

PREVENT CENTRAL & EASTERN EUROPE is a recognizable brand and a leading industrial manufacturer in Central and Eastern Europe, certainly the most important BiH company, which is also an international group and a member of a global company employing over 10,000 workers in five countries (Germany, Croatia, Slovenia, Romania, BiH). In BiH, Prevent operates in 18 locations and employs 7,000 workers. Due to the founding capital, which is partly of foreign origin (Slovenia and Germany), Prevent Group also occupies a place among foreign investors. In addition to the automotive industry (car upholstery), Prevent is present in the segment of fashion clothing, footwear, metals, furniture, protective equipment, and nautical.

Nijaz Hastor, owner and founder of ASA Prevent Group

"Thanks to the responsible approach of all those involved in business processes, we have maintained the position of the leading exporter, the most desirable employer, and we have positioned ourselves on the list of TOP 400 companies in Central Europe. Today, the Prevent Group is the leading private company in CEE, synonymous with exports from Bosnia and Herzegovina, the automotive industry, leather and textile production and socially responsible business. "

ALMA RAS d.o.o. OLOVO

ALMA RAS company started its work in Olovo (Bosnia and Herzegovina) 24 years ago. It was symbolically founded on Women's Day in 1998 and since then it has been known as an unavoidable place for lovers of quality fine underwear and sleepwear. Since the founding of the company, it has recorded constant growth and development - from a small, family workshop to a brand leader in the domestic, Bosnian market. Today it employs over 1,200 workers in six production plants. One of the key business policies is the care of employees, employee satisfaction, but also customer satisfaction. Alma Ras is rapidly becoming one of the most famous companies in Bosnia and Herzegovina with a wide distribution network through wholesale and its own retail boutiques. With the careful placement of brands in other markets, the hearts of customers in the regional and European markets were won, starting from Montenegro, Macedonia, Kosovo, all the way to Slovenia and Denmark.

Rasim Memagić, CEO of Alma Ras

"Alma Ras has celebrated 24 years of not only existence, but very successful business, which is reflected in our continuous progress and expansion. For the first time in the history of the company, we have such a large number of employees, now more than 1,300, and we can attribute this success to all of us, the employees who form the heart of this team. We are especially proud of the fact that all employees enjoy many benefits, and one that stands out is the training. Investing in employee development is extremely important, and we will continue to do so in the future. We strive for environmental and social awareness, and we have focused our business on that. We have launched certain eco-projects that have contributed to local communities and participated in many waste management projects. All these processes have contributed to the fact that in the challenging year 2021, we receive one of the most important certificates in the textile industry, the GOTS certificate. This means that we will implement the latest trend in the world, ie. we will go in the direction of developing new organic products. We will be more focused on sustainable development: install solar panels, reduce waste in the production process. The purchase of new cutting lines is also planned, thanks to which energy consumption will be reduced by 30 percent, the production process will be accelerated and the quality of products will be improved. "



Dević-tekstil d.o.o. Teslic

The founder of the company is the family company Dević d.o.o. with its headquarters in Zagreb, whose development path began in 1991, and has been operating in BiH (in Teslić) since 2002 and in Srbac since 2013. Over the years, the Dević family has built all their effort, knowledge, and capital into every single product. The guiding thought from the very beginning was to develop underwear that will be comfortable for everyone to wear, top quality and affordable prices.

Dajana Blagić, General Manager

"Our primary activity is the production of underwear and today we are one of the largest exporters to the Western market, as evidenced by our reference list, and we certainly can be ranked among the largest manufacturers of underwear in the world.

With continuous investments in production, we plan to expand our production facilities and at the same time strengthen our position on the domestic and European markets



Footwear factory SPORTEK d.o.o. Kotor Varos

The footwear factory "Sportek" d.o.o., as one of the largest exporters in B&H, was founded back in 2005 with a large initial Italian capital and at the very beginning had 300 employees, while today, thanks to long-term cooperation with world famous companies such as "Nike" and by constantly improving business processes, investing in new technologies and human potential, it has grown into a business giant with more than 2,000 workers and its halls with production and storage facilities today cover about 40,000 square meters. Their current capacities have reached the number of 15,000 pairs of shoes per day.

Their business strategy implies continuous research and development of new methods for making their products, strong customer orientation, with the inevitable corporate and social responsibility with special emphasis on responsibility towards their employees.

Goran Berić, manager of the "Sportek" footwear factory.

The "Sportek" footwear factory is engaged in the serial production of sports footwear - professional models for football players - football boots for the "Nike" corporation (in which the world's best football player Cristiano Ronaldo and many other world football stars play).

I especially emphasize the fact that from 2008 to 2020, our designer from Italy always won the first prize in the annual competitions for the new design of football boots that the company "Nike" announces every year in the world. They also produce a complete professional cycling program (except helmets and goggles) for the DMT brand, which is owned by our parent company "Diamond" from Italy, and we have a special line for the production, sewing and printing of a complete program of textiles for cyclists (socks, t-shirts, pants, sweatshirts, etc.). In addition, we have been doing serial production of footwear for the American company "Crocs" (summer slippers and clogs) for many years. Annually, we make and export about 4,000,000 pairs of shoes for this company.

In addition to this, our activity includes the production of carbon fiber parts for Ducatti motorcycles and DMT bicycles (a large part of the competitors in the race "Giro d'Italia", and this year's winner, wears equipment produced in "Sportek"), as well as roofs for smaller yachts made of carbon textiles.

Key parameters of the ATTRACTIVENESS of the sector:

Although all the forecasts of economic experts for 2021 (due to the COVID 19 pandemic) indicated possible negative trends, statistics show that in 2021, the multi-year growth trend of the textile and leather industry continued.

In 2021, B&H produced a total of:

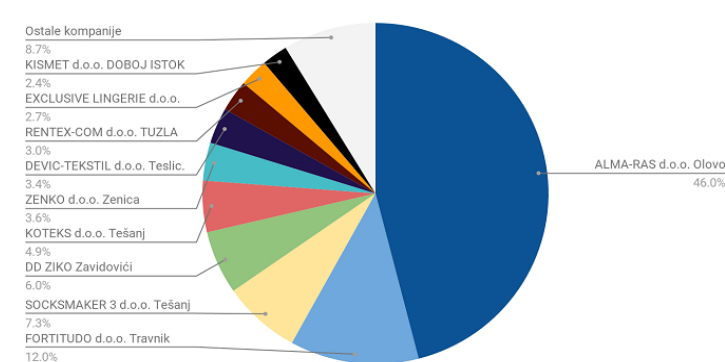
- 730 million KM of textile products and
- 963.9 million KM of various leather products, which is an increase of 10.82% compared to 2020

Number of employees and average salary:

- According to the number of employees, the textile, clothing, leather and footwear industry in BiH employs the most workers, about 40,000 people (according to the STK BiH analysis), which is still only 40% of total employees in the sector before the transition when this industry employed 100,000 people.
- The number of employees in the textile, leather and footwear sector is approximately 22% of the total number of employees registered at the end of 2021 in the manufacturing industry of BiH.
- The textile and footwear industry is predominantly female. It is estimated that more than 75 percent of workers in the textile and footwear industry are women.
- The largest number of workers is represented in two age groups, between 20 and 30 (42%), and 31 and 40 years (37%) age. According to the level of education, as many as 99 percent of workers have a high school diploma, which includes skilled workers.
- The average monthly net salary is between 650 and 700 KM, for 48 working hours during the week.

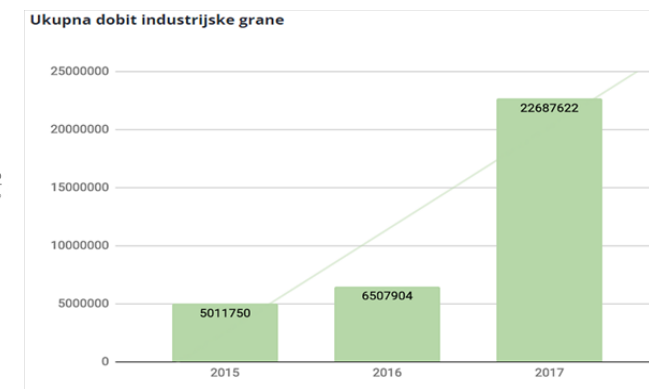
Profit

Top 10 companies by profit



Source: Dijaspola invest-Biznis Info

The textile industry is a low-accumulation industry everywhere in the world, including B&H.

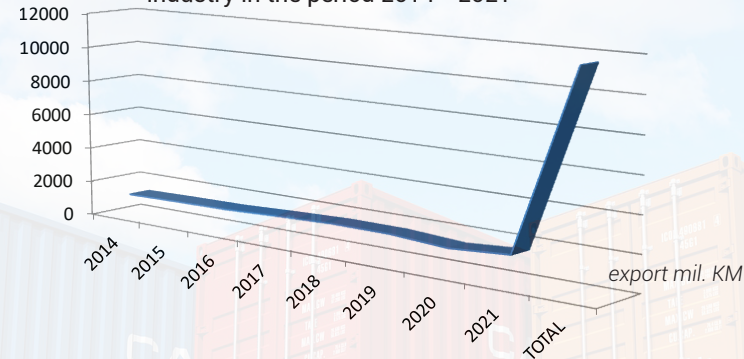


Source: Dijaspola invest-Biznis Info

Export

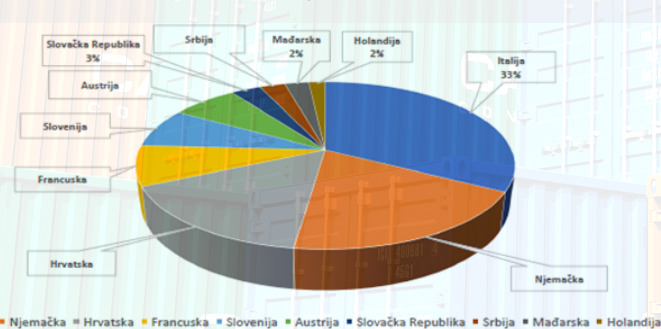
- In 2021, the textile industry was exported in the amount of 1.53 billion KM, which is an increase in exports by 157 million KM or 12% compared to the previous year, which ranked this industry in the fifth place of importance in B&H.
- At the same time, textile products worth 2 billion KM were imported, which is an increase of 284 million KM or 16% compared to the previous year.
- The coverage of imports by exports in 2021 is 75.01% and is lower by 3.07% compared to 2020 when it amounted to 78.08%.
- The share of the textile, clothing, leather and footwear industry in the total foreign trade of the country in 2021 amounted to 10.28% and increased by 1.28% compared to the same period in 2020 when the share was 9%.
- Footwear, clothing and clothing parts are at the forefront of the exchange. We exported footwear in the total value of KM 714 million, which is KM 70 million or 11% more than in the previous year.
- Clothing and clothing parts were exported in the amount of 609 million KM, which is an increase of over 60 million KM or 10% compared to the previous year.
- As in previous years, the most important markets in the trade of textiles, clothing, leather and footwear are the EU countries, where Italy, Germany and Croatia are again in the lead.
- The other most important markets are the CEFTA countries, and in imports there are also Turkey and China.

Total exports of the textile, clothing, leather and footwear industry in the period 2014 - 2021

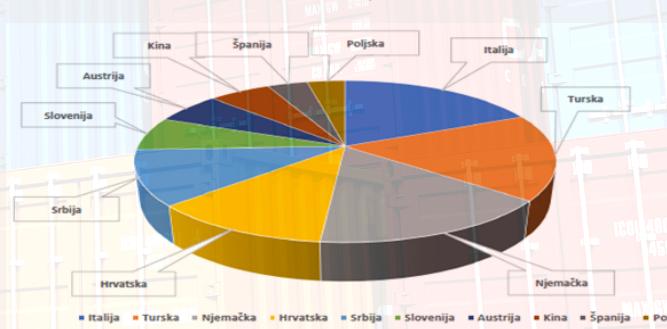


In 2021, the largest export markets where textile, clothing, leather and footwear products were placed are: Italy (30%), Germany (18%), Croatia (15%), France (7%) and Slovenia (7%).

TOP 10 izvoznih tržišta (92%)
I - XII 2021.



TOP 10 uvoznih tržišta (88%)
I - XII 2021.



Source: Centar za informatiku i statistiku Vanjskotrgovinske komore Bosne i Hercegovine, januar 2022.

NOTES



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